

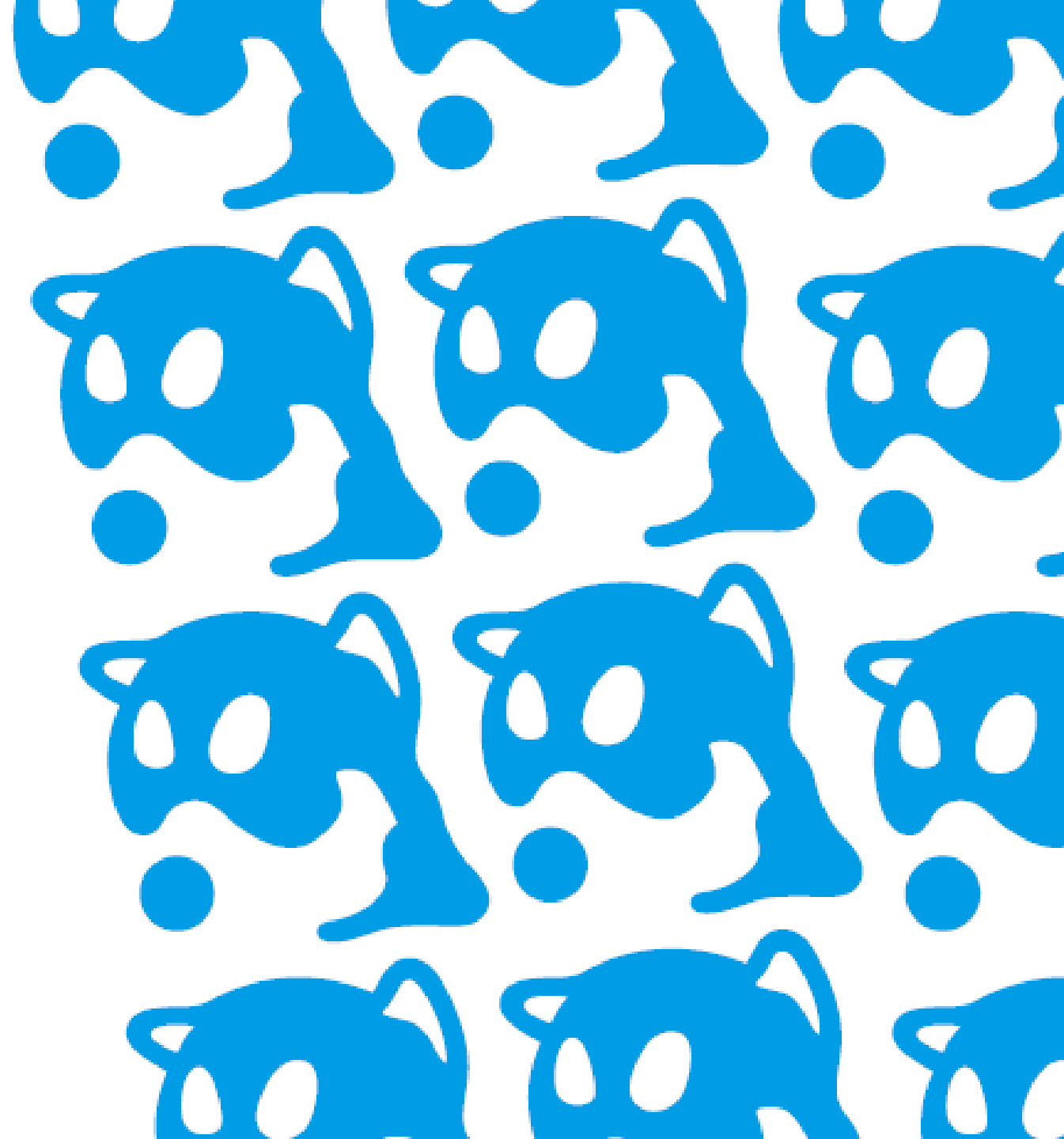
# **Explanatory Materials Regarding the Acquisition of Horus HD Co., Ltd. (Visionary Holdings Co., Ltd.)**

**Zoff**

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INTERMESTIC INC.

# Transaction Summary



# Target Company Overview

- The Target Company Group operates 300 stores nationwide and is an eyeglass and contact lens chain with over 50 years of history.
- In 2022, following an incident, an investigation was conducted by a third-party committee. With support from Japan Corporate Growth Investment (NIC), the company was delisted.
- The period up to FY2024/4 was a restructuring phase, but management stabilized in FY2025/4. This resulted in high profitability: sales of ¥28.2 billion and EBITDA of ¥2.6 billion.

Company Overview<sup>1</sup>

Company Name	Horus HD Co., Ltd. *Major Subsidiary: Visionary Holdings Co., Ltd.
Established	August 2022 (MEGANE SUPER was founded in 1973)
Headquarters	Chuo-ku, Tokyo
Business	Eyeglasses, contact lenses and accessories, and hearing aids
Number of Stores	300 domestic stores (including 232 roadside and street-front stores)
Number of Employees	1,565
President	Daisuke Matsumoto
Sales	¥28.2 billion (FY2025/4 consolidated)

Performance Trends<sup>2</sup>

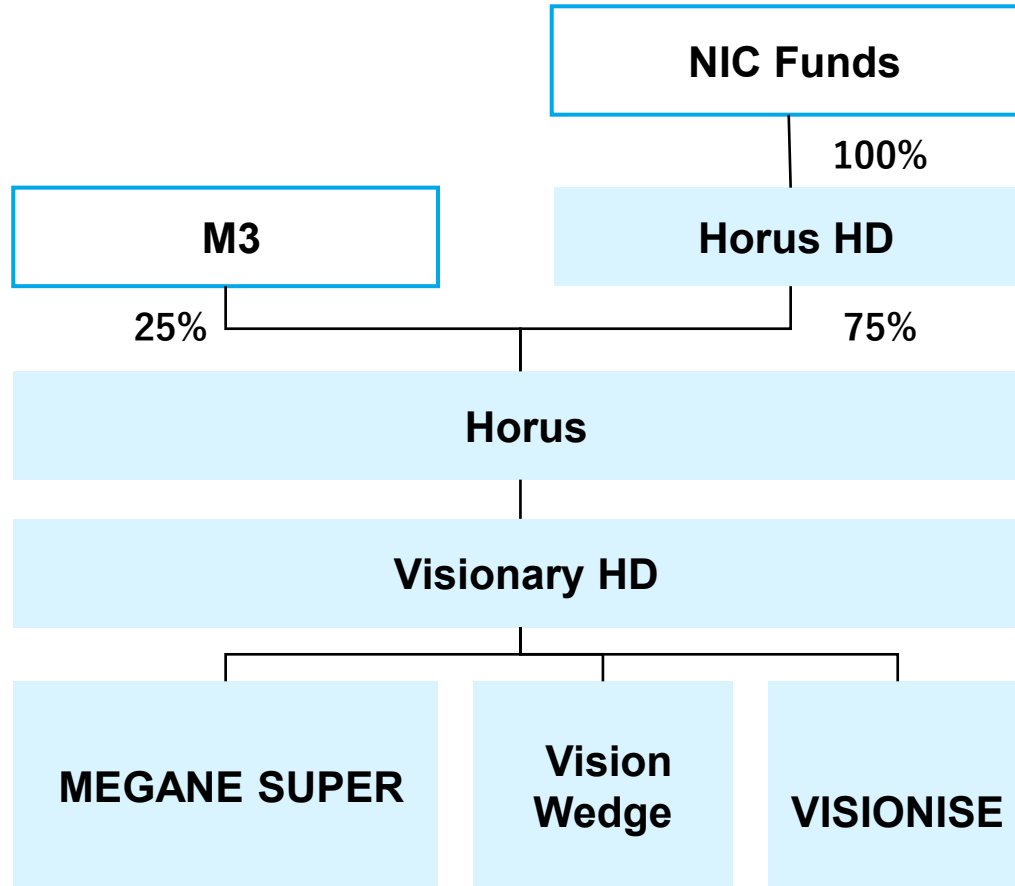
Million yen	FY23/4	FY24/4	FY25/4
	✓ Auditor's Opinion Not Expressed ✓ Period of Turmoil	✓ TOB ✓ Restructuring Period	✓ Stabilization Phase
Sales	27,001	27,067	28,186
Gross Profit	16,227	15,402	16,841
GP %	60.1%	56.9%	59.7%
Operating profit	293	▲ 520	1,852
OP %	1.1%	▲ 1.9%	6.6%
EBITDA	1,029	104	2,610
EBITDA %	3.8%	0.4%	9.3%

Note 1: The company overview below the headquarters section describes the overview of Visionary Holdings.  
Note 2: Target company disclosure materials. Consolidated financial figures with Horus Co., Ltd. at the top are presented. For FY2023/4 performance, consolidated financial figures with Visionary HD at the top are presented. Furthermore, all financial figures are those recognized by our company during this process and have not been audited by our auditing firm, Taiyo Limited Liability Audit Corporation.

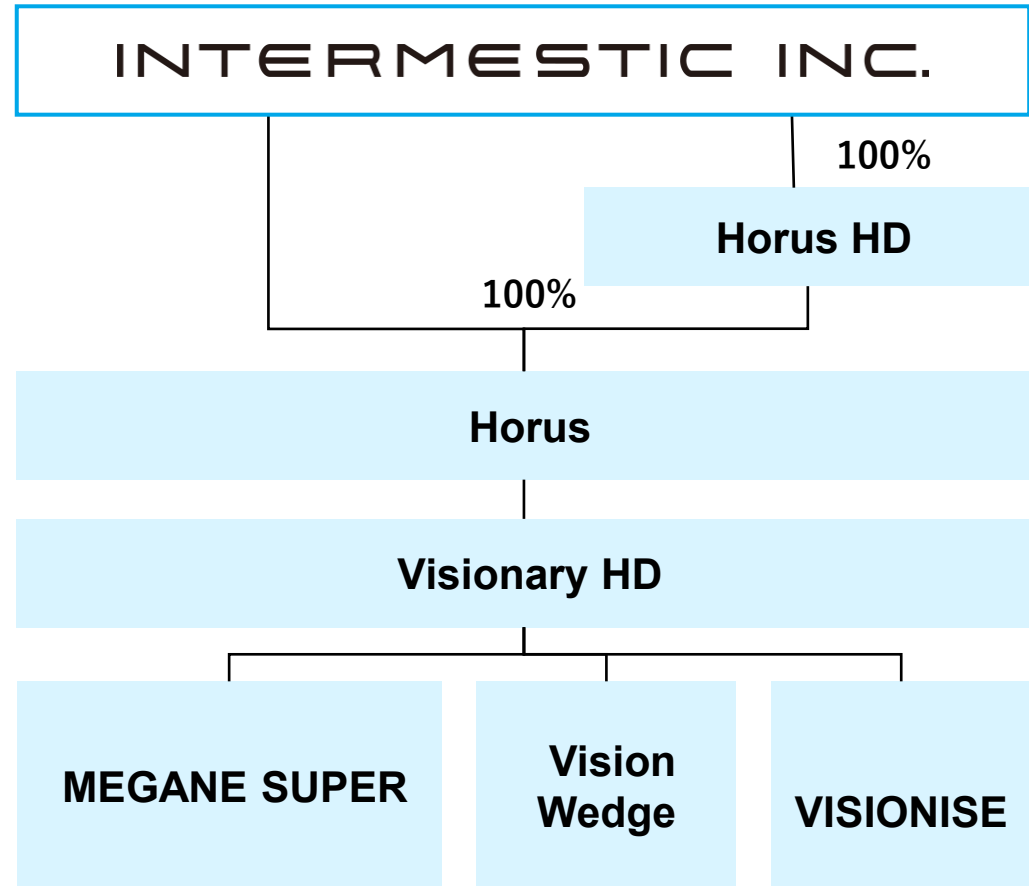
## Transaction Summary

- Acquired shares of Horus HD held by NIC funds and shares of Horus held by M3, making the target company group wholly owned subsidiaries

Current



After the transaction



## Post-Transaction Group Structure

- Following this transaction, the group structure will be established with our company (Intermestic Co., Ltd.) at the top, holding subsidiaries including Zoff Co., Ltd. and the Target Company Group.



- **Enterprise Value:** **¥26.9 billion**
- **Share Purchase Price:** **¥19 billion**
- **Funding:** **Cash +  
Borrowings ¥18 billion**

※1: Price adjustments may occur due to changes in financial conditions until closing.

※2: Advisory fees are estimated at approximately ¥40 million.

※3: The amount of goodwill generated will be disclosed after consultation with the auditing firm.

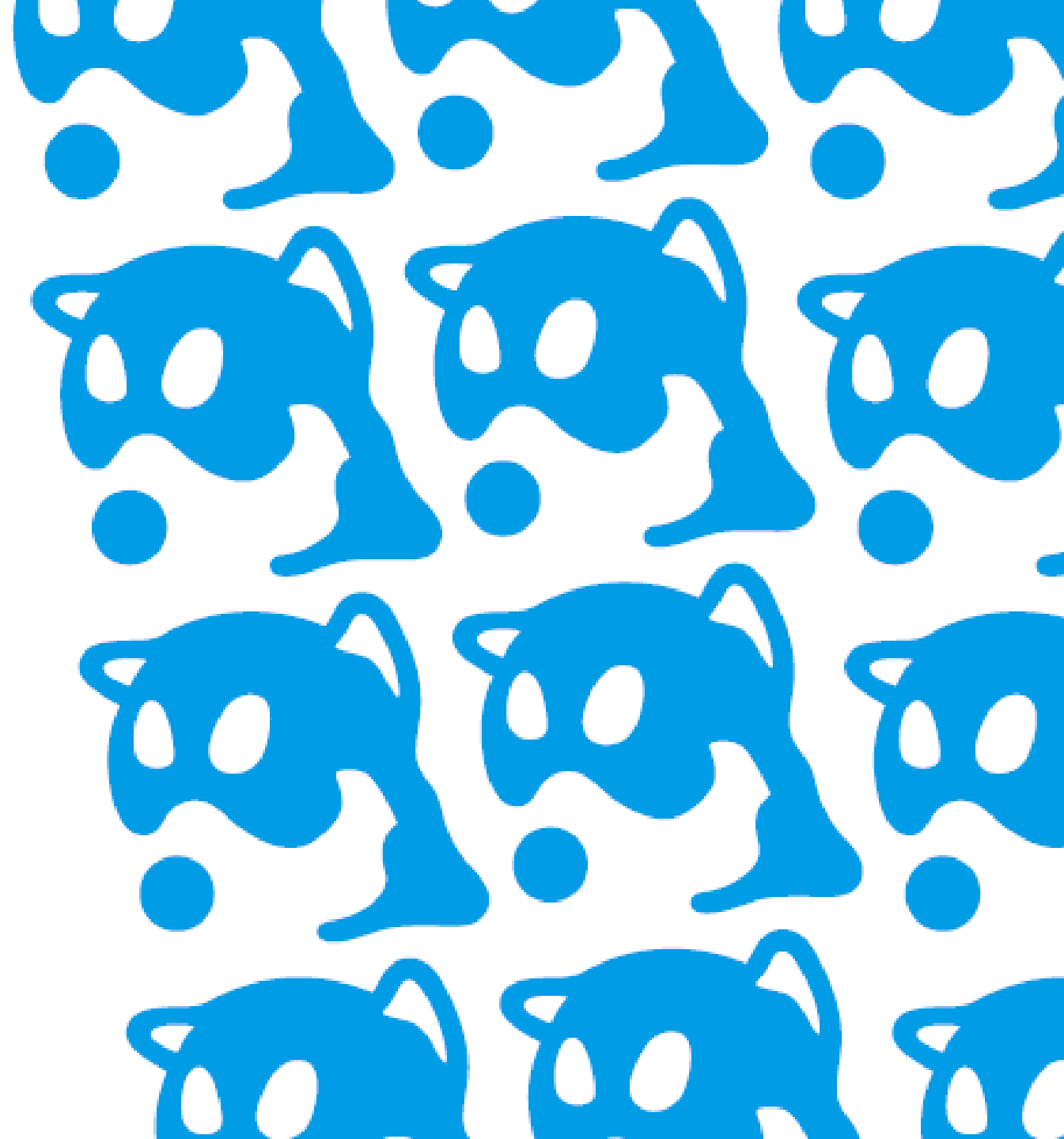
※4: Existing borrowings of the target company will be repaid simultaneously.

※5: Borrowing is planned from Sumitomo Mitsui Banking Corporation, Ueno Branch.

- **Contract Date:** **September 2**
- **Share Transfer Date:** **October 1 (planned)**

\*The execution date for this transaction is scheduled for October 1, 2025; however, it may be subject to change depending on the progress of procedures related to competition law, etc.

**Purpose**





# Purpose

## 1 Acquisition of Contact Lens Customers and Talent

- ✓ By incorporating the contact lens business, which has a large base of young customers making regular purchases, in addition to eyeglasses with irregular purchase cycles, we will establish a recurring revenue structure. This will enable stable and accelerated growth of the business.
- ✓ The contact lens market continues to grow. Adding a target company with significant contact lens sales to our group will contribute to expanding our group's TAM.
- ✓ We have secured a sufficient number of qualified personnel required for in-store contact lens sales. If personnel exchange becomes possible, contact lens sales will also be feasible at our company's stores.

## 2 Providing High-Value-Added Eyeglass Products for Middle-Aged to Senior Customers

- ✓ The target company's eyeglass business primarily serves middle-aged to senior customers with progressive lens needs.
- ✓ They excel at selling high-end lenses based on attentive customer service. There is little customer cannibalization with our company, enabling the group to offer a broad range of solutions.
- ✓ Enables customer-centric product offerings combined with our frame products

## 3 Acquisition of a brand with 300 stores, primarily roadside and street-front locations

- ✓ The target company operates 300 stores (including contact lens specialty stores), primarily roadside and street-front locations.
- ✓ With minimal cannibalization of store locations compared to our company, the target company's brands can also be utilized in future expansion strategies for areas where the Zoff brand alone cannot fully penetrate

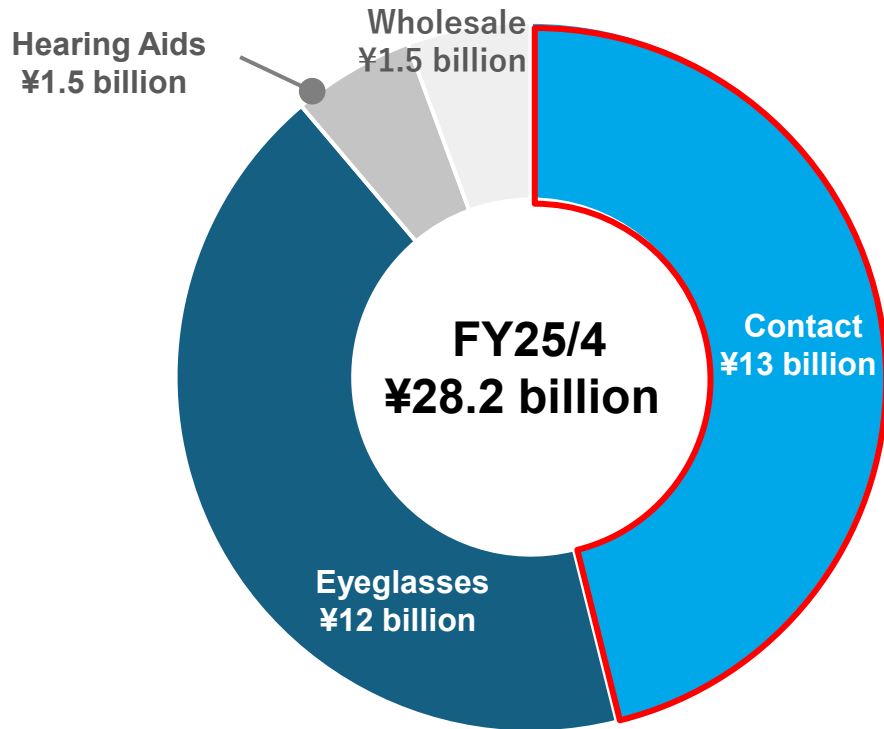
## 4 A stepping stone toward industry Restructuring

- ✓ Amidst an industry stagnating with numerous small and medium-sized eyewear companies, the situation necessitates industry restructuring.
- ✓ Having revolutionized the industry 25 years ago with low-price eyewear, our company is uniquely positioned to lead this consolidation. This transaction will establish our leadership role within the industry and enable us to execute roll-up M&A.

# About Contact Lenses

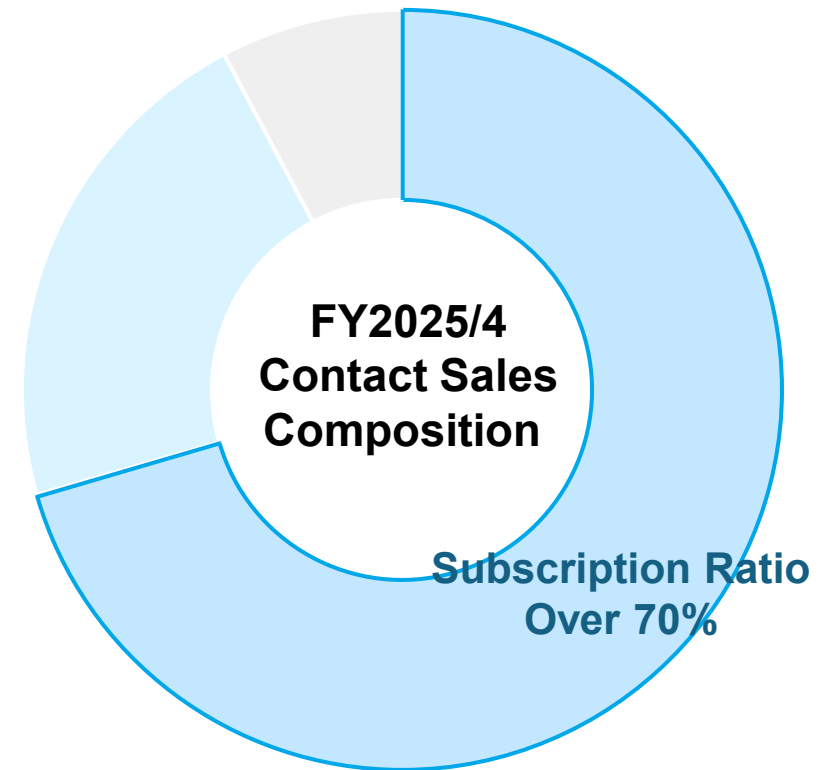
- The target company has a strong customer base, with contact lens sales exceeding eyeglass sales (including e-commerce revenue), primarily serving younger customers while maintaining a subscription ratio exceeding 70%.
- This acquisition will secure a recurring revenue structure by incorporating the contact lens business, which has a large base of young customers who purchase regularly.
- Through our group integration, we will provide comprehensive eye care solutions—frames, sunglasses, and contact lenses—to younger customers.

Sales Composition



- Contacts (including EC)
- Eyeglasses
- Hearing Aids
- Wholesale

Percentage of contact lens sales from subscription customers



- Subscription Service
  - In-Store Purchase
  - EC
- ✓ Products strong with younger demographics, with young customers making up the majority

# About the Glasses Business

- The target company's eyewear business primarily serves middle-aged to senior customers, selling purchased frames
- Customer cannibalization with our company is extremely minimal, creating a mutually complementary relationship. We particularly pursue synergies with the target company by expanding its product lineup and improving gross profit margins through our private brand products.

	Target Companies	Our Group	Anticipated Synergy
Customer Base	Primarily middle-aged to senior individuals	Younger age group as main target	Customer cannibalization is extremely low
Products	NB is the main focus with low gross profit margin	PB is the main focus with high gross profit margins	Expansion of PB product offerings and improving gross profit margins

## Stores

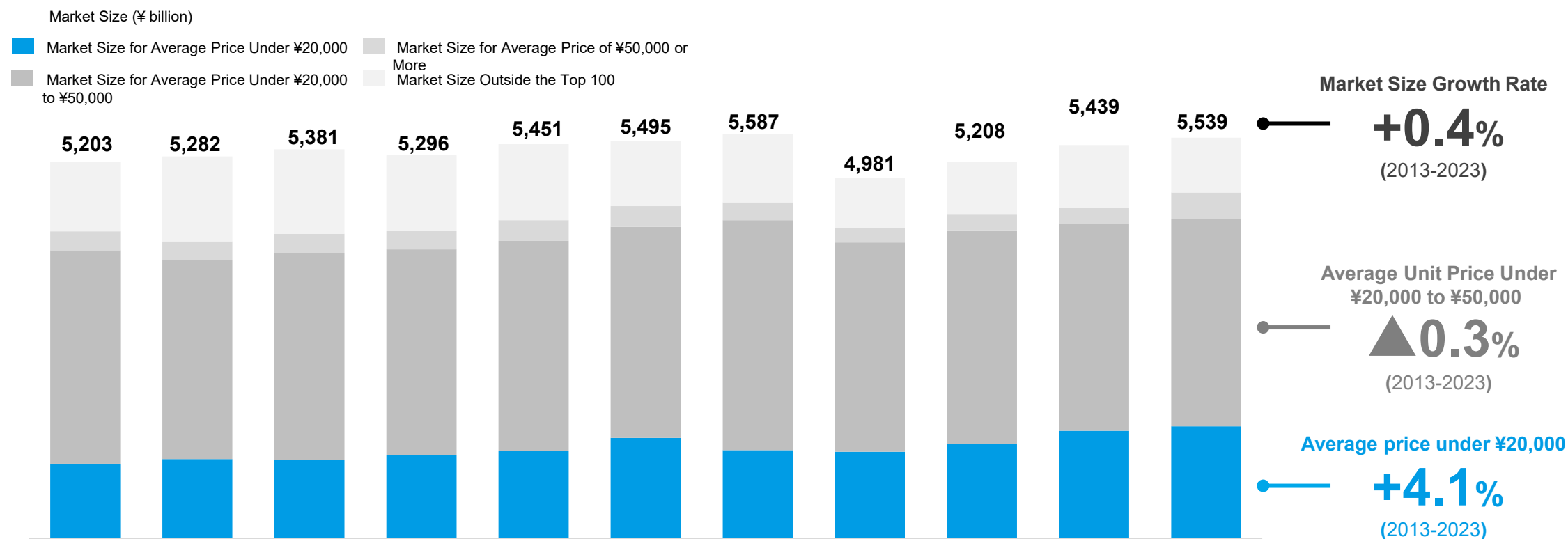
- The target company focuses primarily on roadside and street-front locations, while our company specializes in shopping centers. This differentiation in store locations allows us to complement each other's strengths.
- This also enables mutual complementarity in areas where individual brands would struggle to enter
- The group will have over 600 stores.

	Target Company Group	Our Group	Anticipated Synergy
SC	68	311	Support for Target Company Group's SC Store Openings Support is also possible
Roadside Street-Front Stores	232	6	Covering areas not fully served by Zoff brand stores
Total	300	317	Total 617 stores

# Industry Restructuring

- The domestic eyewear retail market had stagnated for 25 years without any reformers since our company pioneered the low-price segment.
- This initiative establishes our company in a leading position to restructure the stagnant industry.

## Market Size Trends for the Domestic Eyewear Market<sup>1,2</sup>

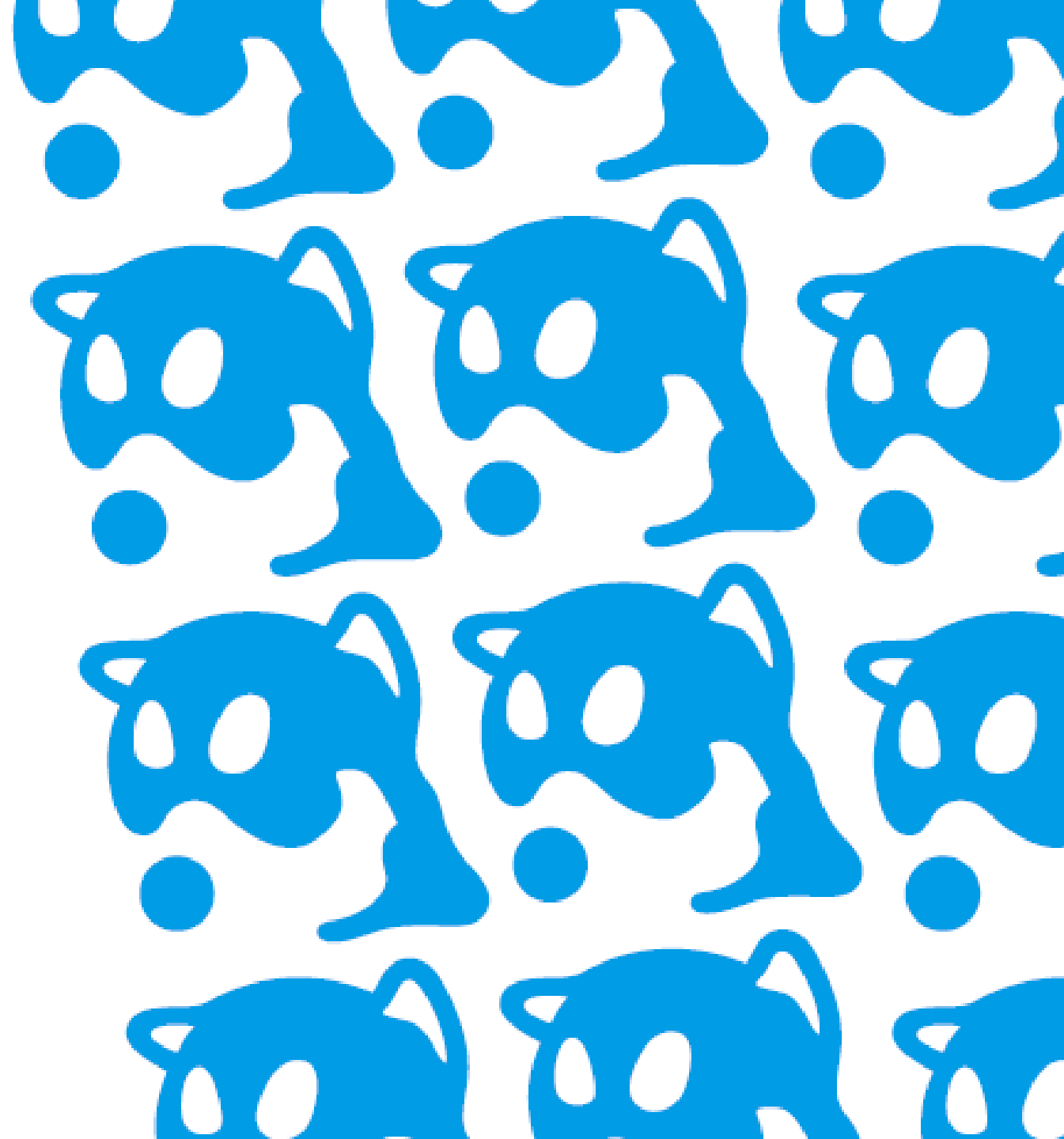


Note 1: Created based on Megane DB. Megane DB surveys Japanese domestic eyewear retailers. The domestic eyewear market defined in this document includes total sales of eyeglasses, eyewear-related products, sunglasses, contact lens-related products, and other items.

Note 2: For the top 100 domestic companies by sales, we classified them into groups based on average unit price: under ¥20,000, ¥20,000 to under ¥50,000, and ¥50,000 or above. The total sales for each group represent the market size. For companies not included in the top 100, the total sales are listed as the "market size outside the top 100."

Note 3: Our domestic sales figures include domestic sales from stores, e-commerce, and other channels. Market share is calculated by dividing these sales by the domestic eyewear market size defined in Note 1. For our domestic sales figures: FY2022/12 and FY2023/12 figures are audited; FY2021/12 figures are unaudited.

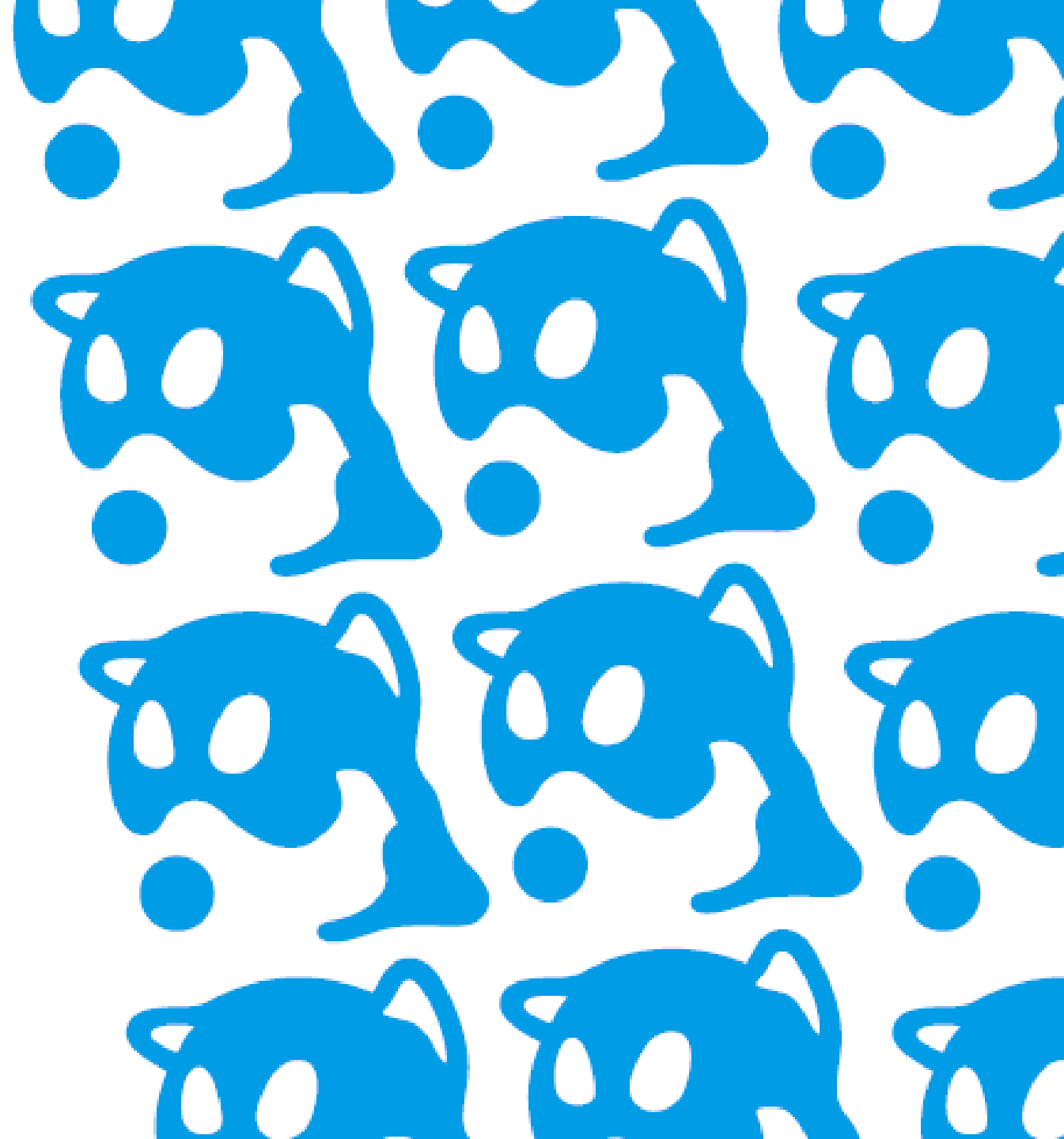
# Governance



## Regarding the Target Company's Past Misconduct

- According to the report by the third-party committee, the Target Company Group suffered from prolonged governance deficiencies under its former representative, resulting in a chronic state of low profitability and losses.
- Under the NIC funds, management reforms centered on the personnel evaluation system were implemented to establish a sound management structure.  
Furthermore, the progress of management improvement measures has been reviewed by the chairperson of the third-party committee, and the achievement status of all measures has been confirmed.
- Following its acquisition as a subsidiary, the company will continue these improvements and work to restore trust with stakeholders, including its employees.

# PMI Policy





## PMI Policy

- The principle is to maintain independence as an autonomous corporate entity
- For employees, we will achieve accelerated growth as a group by facilitating personnel exchanges with our company while complementing each other's strengths and weaknesses.



VISIONARY HOLDINGS