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February 13, 2026

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange  
 Securities code: 262A  
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 Scheduled date of annual general meeting of shareholders: March 26, 2026  
 Scheduled date to commence dividend payments: March 27, 2026  
 Scheduled date to file annual securities report: March 24, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	50,151	11.8	5,990	19.5	5,979	22.6	4,119	17.2
December 31, 2024	44,845	12.5	5,012	43.3	4,878	42.3	3,515	37.2

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥4,138 million [17.7%]  
 For the fiscal year ended December 31, 2024: ¥3,516 million [36.9%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2025	134.62	130.98	16.8	12.2	11.9
December 31, 2024	151.31	145.66	23.9	17.8	11.2

Note: As the Company implemented a stock split on April 23, 2024, whereby each share of common stock was divided into 2,000 shares, "Basic earnings per share" has been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	62,952	25,966	41.2	848.58
December 31, 2024	34,842	23,058	66.2	753.55

Reference: Equity  
 As of December 31, 2025: ¥25,966 million  
 As of December 31, 2024: ¥23,058 million

Note: As the Company implemented a stock split on April 23, 2024, whereby each share of common stock was divided into 2,000 shares, "Net assets per share" has been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	5,220	(28,933)	13,716	10,060
December 31, 2024	6,359	(1,671)	9,057	20,045

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2024	–	0.00	–	40.20	40.20	1,230	35.0	7.6
Fiscal year ended December 31, 2025	–	0.00	–	44.00	44.00	1,346	32.7	5.5
Fiscal year ending December 31, 2026 (Forecast)	–	0.00	–	51.00	51.00		32.8	

### 3. Financial results forecast for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

	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
Full year	85,800	71.1	7,502	25.2	7,100	18.7	4,752	15.4	155.32

\* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 6 companies (Horus HD Co., Ltd., Horus Co., Ltd., Visionary Holdings Co., Ltd., Megane Super Co., Ltd., Visionize Co., Ltd., Vision Wedge Co., Ltd.)

Excluded: – companies (–)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to reasons other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	30,600,000 shares
As of December 31, 2024	30,600,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	– shares
As of December 31, 2024	– shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	30,600,000 shares
Fiscal year ended December 31, 2024	23,230,328 shares

Note: As the Company implemented a stock split on April 23, 2024, whereby each share of common stock was divided into 2,000 shares, “total number of issued shares at the end of the period,” “number of treasury shares at the end of the period” and “average number of shares outstanding during the period” have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	20,140	9.1	6,175	17.5	6,481	20.2	4,404	22.1
December 31, 2024	18,461	21.8	5,254	79.3	5,391	71.7	3,607	73.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	143.94	140.05
December 31, 2024	155.28	149.47

Note: As the Company implemented a stock split on April 23, 2024, whereby each share of common stock was divided into 2,000 shares, “Basic earnings per share” has been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	49,322	26,682	54.1	871.99
December 31, 2024	29,209	23,500	80.5	767.98

Reference: Equity As of December 31, 2025: ¥26,682 million  
As of December 31, 2024: ¥23,500 million

Note: As the Company implemented a stock split on April 23, 2024, whereby each share of common stock was divided into 2,000 shares, “Net assets per share” has been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The financial results forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable. The Company gives no assurance that these statements will prove to be accurate. Actual results may differ significantly from these forecasts due to various factors. For the assumptions used as a basis for the financial results forecasts and items to exercise caution in the use of these forecasts, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 8 of the attached document.

(How to obtain supplementary materials on financial results)

Supplementary materials for financial results are disclosed on TDnet on the same day.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review (January 1, 2025 to December 31, 2025), the Japanese economy remained on a gradual recovery trend, supported by improvement in employment and income conditions. However, persistent price increases led to cautious consumer sentiment, causing personal consumption to stagnate in some areas. Ongoing uncertainties in the global economy due to factors such as the direction of U.S. monetary policy and concerns over a slowdown in the Chinese economy have affected the Japanese economy. With fluctuations in financial and capital markets and geopolitical risks including developments in the Middle East also remaining a cause for concern, the outlook for both domestic and global economies remains uncertain.

In this economic environment, the Group has been promoting its vision, “Eye Performance,” aiming to present new value by positioning eyeglasses not only as vision correction devices, but also as fashion items and tools to expand human potential. Through this initiative, we have been working to become a brand that is essential to both society and everyday life.

The Company has actively developed new products, including “Galileo” series, featuring a unique design in which all parts except the lenses are molded entirely from rubber; the 2025 Fall/Winter eyewear collection in partnership with the popular select store “UNITED ARROWS;” “Zoff SMART with MAQUILLAGE,” a joint project with total makeup brand “MAQUILLAGE,” and “intelligence metal TITAN,” a titanium frame that is light, strong, and beautiful.

With regard to advertising development, the Company appointed Ren Meguro—member of Snow Man and a prominent actor—as its global brand ambassador. A nationwide TV commercial titled “Zoff meets Ren Meguro: SUNCUTGlasses” was aired to raise awareness of the “SUNCUTGlasses” series, which offers 100% UV protection.

With regard to store development, the number of stores during the fiscal year under review totaled 332 in Japan (all operated by subsidiary Zoff Inc.) and 20 overseas (all franchisees, 17 in Hong Kong and 3 in Singapore).

The Company acquired shares of Horus HD Co., Ltd. and Horus Co., Ltd. (hereinafter collectively referred to as the “Horus HD Group”) on October 1, 2025, and is processing the transaction on a consolidated basis under a deemed acquisition date of December 31, 2025 based on the Accounting Standard for Business Combinations and other standards. As such, for the fiscal year under review, the consolidation of the Horus HD Group is only reflected on the balance sheet as of the deemed acquisition date, with Horus HD Group earnings not included in statements of income.

As a result, on a consolidated basis for the fiscal year under review, net sales were ¥50,151 million (up 11.8% year-on-year), operating profit was ¥5,990 million (up 19.5% year-on-year), ordinary profit was ¥5,979 million (up 22.6% year-on-year), and profit attributable to owners of parent was ¥4,119 million (up 17.2% year-on-year).

A summary of results by segment is as follows.

#### Domestic Business

In the Domestic Business, products such as “SUNCUTGlasses” and photochromic lenses performed strongly, supported by the effectiveness of various promotional initiatives including TV commercials.

With respect to store development, the number of stores in Japan totaled 332 (28 stores opened and 3 stores closed).

As a result, domestic operations recorded segment sales of ¥49,543 million (up 11.9% year-on-year) and segment profit of ¥5,937 million (up 18.2% year-on-year).

#### Overseas Business

In the Overseas Business, in Hong Kong, existing stores put in a steady performance despite continued changes in the external environment. In Singapore, although the economy continued to grow moderately, signs of a slowdown were observed.

With regard to store development, the Company operated 17 stores in Hong Kong (1 store opening, no closures) and 3 stores in Singapore (no store openings, 2 closures), for a total of 20 overseas stores.

As a result, overseas operations recorded segment sales of ¥898 million (up 3.4% year-on-year) and segment profit of ¥52 million (segment loss of ¥22 million in the same period of the previous fiscal year).

## (2) Overview of Financial Position for the Fiscal Year under Review

(Assets, liabilities and net assets)

(Assets)

Total assets at the end of the fiscal year under review increased ¥28,110 million from the end of the previous fiscal year to ¥62,952 million.

Current assets decreased ¥2,896 million to ¥25,052 million. This was mainly due to increases of ¥2,021 million in accounts receivable - trade and ¥3,369 million in merchandise owing to business combinations, etc., as well as a ¥9,984 million decrease in cash and deposits resulting from the purchase of shares and other factors.

Noncurrent assets increased ¥31,006 million to ¥37,900 million. This was mainly due to a ¥23,865 million increase in goodwill associated with business combinations, a ¥3,289 million increase in property, plant and equipment resulting from new store openings, renovations, and business combinations, and a ¥2,546 million increase in leasehold and guarantee deposits.

(Liabilities)

Total liabilities at the end of the fiscal year under review increased ¥25,202 million from the end of the previous fiscal year to ¥36,986 million.

Current liabilities increased ¥23,237 million to ¥34,612 million. This was mainly due to a ¥15,100 million increase in short-term borrowings owing to borrowing carried out for the purpose of purchasing shares, as well as increases of ¥2,159 million in accounts payable - trade, ¥1,861 million in accounts payable - other, and ¥2,435 million in contract liabilities resulting from business combinations, etc.

Noncurrent liabilities increased ¥1,964 million to ¥2,373 million. This was mainly due to a ¥1,503 million increase in retirement benefit liability resulting from business combinations.

(Net assets)

Total net assets at the end of the fiscal year under review increased ¥2,908 million from the end of the previous fiscal year to ¥25,966 million. This was mainly due to a ¥4,119 million increase resulting from profit attributable to owners of parent, which offset a ¥1,230 million decrease resulting from dividend payments.

## (3) Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review decreased ¥9,984 million from the previous fiscal year to ¥10,060 million. The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities totaled ¥5,220 million (net cash provided of ¥6,359 million in the same period of the previous fiscal year). The main positive factors included profit before income taxes of ¥5,924 million (¥4,811 million in the same period of the previous fiscal year), depreciation of ¥1,096 million (¥815 million in the same period of the previous fiscal year), and provision for bonuses of ¥573 million (¥981 million in the same period of the previous fiscal year). The main negative factors included income taxes paid of ¥2,056 million (¥813 million in the same period of the previous fiscal year).

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to ¥28,933 million (¥1,671 million used in the same period of the previous fiscal year). The main negative factors included expenditures of ¥16,168 million for the purchase of shares of subsidiaries and associates, ¥9,866 million for loan advances, and ¥1,927 million for the purchase of property, plant and equipment for new store openings and renovations (¥1,264 million used in the same period of the previous fiscal year).

(Net cash provided by (used in) financing activities)

Net cash provided by financing activities amounted to ¥13,716 million (¥9,057 million provided in the same period of the previous year). The main positive factors included a net increase in short-term borrowings of ¥15,100 million, while the main negative factors included expenditures of ¥1,229 million for dividend payments (¥896 million used in the same period of the previous fiscal year).

#### (4) Future Outlook

As for the future outlook, in the social environment surrounding the Group, although the Japanese economy is witnessing a moderate recovery, inflationary pressure is being felt around the globe, triggered by soaring raw material prices and other factors, and the yen is also depreciating further, raising concerns about the impact of rising prices on personal consumption.

In order for the Group to achieve further growth amid such changes in the business environment, we believe it is necessary to ramp up our investments in human resources. To secure the funding to do so, we will work to further improve our operational efficiency by strengthening our existing businesses, developing new store formats, and carrying out M&As.

In strengthening our existing businesses, we will strive to increase profitability through the growth of our existing and e-commerce businesses driven by the establishment and expansion of a new sunglasses market, and the streamlining of store operations, among other measures.

As for the development of new store formats, we will acquire new customers that cannot be reached in our existing formats through the development of completely new store formats such as “Zolita TOKYO,” a Lolita fashion eyewear specialty shop, which opened in December 2025.

As for M&As, we will establish a leading position in the industry and execute roll-up M&As, as with our acquisition of Horus HD (Visionary Holdings) in October 2025.

In light of the above, the Company forecasts net sales of ¥85,800 million, operating profit of ¥7,502 million, ordinary profit of ¥7,100 million, and profit attributable to owners of parent of ¥4,752 million on a consolidated basis for the fiscal year ending December 31, 2026.

## 2. Basic Policy Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements by term and the comparability among companies, the Group’s policy is to prepare its consolidated financial statements in accordance with Japanese GAAP.

With regard to the application of International Financial Reporting Standards (IFRS), the Group’s policy is to respond appropriately based on consideration of the situation in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (December 31, 2024)	Current fiscal year (December 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	20,045	10,060
Accounts receivable - trade	1,047	3,068
Merchandise	3,799	7,170
Deposits paid	2,587	3,298
Other	468	1,530
Allowance for doubtful accounts	–	(76)
Total current assets	27,948	25,052
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,216	8,510
Accumulated depreciation	(2,854)	(5,150)
Buildings and structures, net	1,362	3,359
Tools, furniture and fixtures	2,887	4,873
Accumulated depreciation	(1,903)	(3,140)
Tools, furniture and fixtures, net	983	1,733
Leased assets	956	2,024
Accumulated depreciation	(590)	(1,349)
Leased assets, net	366	675
Construction in progress	13	29
Other	–	219
Accumulated depreciation	–	(1)
Other, net	–	218
Total property, plant and equipment	2,726	6,015
Intangible assets		
Goodwill	–	23,865
Software	678	986
Other	24	64
Total intangible assets	702	24,917
Investments and other assets		
Investments in capital of subsidiaries and associates	27	27
Leasehold and guarantee deposits	2,256	4,803
Deferred tax assets	1,139	1,984
Other	52	252
Allowance for doubtful accounts	(11)	(100)
Total investments and other assets	3,464	6,967
Total non-current assets	6,893	37,900
<b>Total assets</b>	<b>34,842</b>	<b>62,952</b>

(Millions of yen)

	Previous fiscal year (December 31, 2024)	Current fiscal year (December 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	888	3,047
Short-term borrowings	2,900	18,000
Lease liabilities	115	272
Accounts payable - other	2,831	4,693
Accrued expenses	199	336
Income taxes payable	1,345	1,731
Provision for bonuses	981	1,971
Contract liabilities	1,240	3,676
Deposits received	113	157
Other	758	724
Total current liabilities	11,374	34,612
Non-current liabilities		
Lease liabilities	313	599
Retirement benefit liability	–	1,503
Guarantee deposits received	81	109
Other	13	161
Total non-current liabilities	409	2,373
Total liabilities	11,783	36,986

(Millions of yen)

	Previous fiscal year (December 31, 2024)	Current fiscal year (December 31, 2025)
Net assets		
Shareholders' equity		
Share capital	220	220
Capital surplus	10,240	10,240
Retained earnings	12,479	15,368
Total shareholders' equity	22,939	25,828
Accumulated other comprehensive income		
Deferred gains or losses on hedges	–	8
Foreign currency translation adjustment	118	129
Total accumulated other comprehensive income	118	137
Total net assets	23,058	25,966
Total liabilities and net assets	34,842	62,952

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	44,845	50,151
Cost of sales	11,138	11,680
Gross profit	33,707	38,470
Selling, general and administrative expenses	28,695	32,479
Operating profit	5,012	5,990
Non-operating income		
Interest income	0	75
Other	5	7
Total non-operating income	6	82
Non-operating expenses		
Interest expenses	33	85
Foreign exchange losses	95	7
Other	10	0
Total non-operating expenses	140	94
Ordinary profit	4,878	5,979
Extraordinary income		
Gain on sale of non-current assets	16	4
Gain on sale of investments in capital of subsidiaries and associates	17	–
Store relocation compensation	49	68
Other	14	–
Total extraordinary income	97	73
Extraordinary losses		
Loss on retirement of non-current assets	69	83
Impairment losses	92	39
Other	2	5
Total extraordinary losses	164	127
Profit before income taxes	4,811	5,924
Income taxes - current	1,644	2,233
Income taxes - deferred	(348)	(427)
Total income taxes	1,296	1,805
Profit	3,515	4,119
Profit attributable to owners of parent	3,515	4,119

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	3,515	4,119
Other comprehensive income		
Deferred gains or losses on hedges	–	8
Foreign currency translation adjustment	1	10
Total other comprehensive income	1	18
Comprehensive income	3,516	4,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,516	4,138

(3) Consolidated Statement of Changes in Equity  
 Previous fiscal year (January 1, 2024 through December 31, 2024)

(Millions of yen)

	Capital stock				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	220	150	9,862	(3,975)	6,257
Changes during period					
Dividends of surplus			(896)		(896)
Profit attributable to owners of parent			3,515		3,515
Disposal of treasury shares		10,090		3,975	14,065
Change in scope of consolidation			(1)		(1)
Net changes in items other than shareholders' equity					–
Total changes during period	–	10,090	2,617	3,975	16,682
Balance at end of period	220	10,240	12,479	–	22,939

	Accumulated other comprehensive income			Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	116	116	6,374
Changes during period				
Dividends of surplus				(896)
Profit attributable to owners of parent				3,515
Disposal of treasury shares				14,065
Change in scope of consolidation				(1)
Net changes in items other than shareholders' equity	–	1	1	1
Total changes during period	–	1	1	16,684
Balance at end of period	–	118	118	23,058

Current fiscal year (January 1, 2025 through December 31, 2025)

(Millions of yen)

	Capital stock				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	220	10,240	12,479	–	22,939
Changes during period					
Dividends of surplus			(1,230)		(1,230)
Profit attributable to owners of parent			4,119		4,119
Disposal of treasury shares					–
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	2,889	–	2,889
Balance at end of period	220	10,240	15,368	–	25,828

	Accumulated other comprehensive income			Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	118	118	23,058
Changes during period				
Dividends of surplus				(1,230)
Profit attributable to owners of parent				4,119
Disposal of treasury shares				–
Change in scope of consolidation				–
Net changes in items other than shareholders' equity	8	10	18	18
Total changes during period	8	10	18	2,908
Balance at end of period	8	129	137	25,966

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,811	5,924
Depreciation	815	1,096
Impairment losses	92	39
Increase (decrease) in provision for loss on business liquidation	(121)	–
Increase (decrease) in provision for bonuses	981	573
Interest expenses	33	85
Amortization of lease and guarantee deposits	75	73
Compensation for forced relocation	(49)	(68)
Gain on sale of investments in capital of subsidiaries and associates	(17)	–
Decrease (increase) in trade receivables	(305)	(277)
Decrease (increase) in inventories	516	(48)
Decrease (increase) in deposits paid	33	(592)
Increase (decrease) in trade payables	(506)	230
Decrease (increase) in prepaid expenses	(55)	(425)
Increase (decrease) in accrued consumption taxes	369	(269)
Increase (decrease) in accounts payable - other	341	574
Increase (decrease) in contract liabilities	158	463
Increase (decrease) in deposits received	(40)	(78)
Other, net	22	(44)
<b>Subtotal</b>	<b>7,156</b>	<b>7,256</b>
Interest paid	(33)	(83)
Income taxes paid	(813)	(2,056)
Proceeds from compensation for forced relocation	49	68
Other, net	0	35
<b>Net cash provided by (used in) operating activities</b>	<b>6,359</b>	<b>5,220</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	–	(5,500)
Proceeds from withdrawal of time deposits	–	5,500
Purchase of property, plant and equipment	(1,264)	(1,927)
Purchase of intangible assets	(212)	(347)
Proceeds from sales of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	34	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(16,168)
Loan advances	–	(9,866)
Payments of leasehold and guarantee deposits	(265)	(565)
Proceeds from refund of leasehold and guarantee deposits	101	16
Other, net	(65)	(75)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,671)</b>	<b>(28,933)</b>

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	15,100
Repayments of long-term borrowings	(3,975)	–
Repayments of lease liabilities	(136)	(153)
Dividends paid	(896)	(1,229)
Proceeds from sale of treasury shares	14,065	–
Net cash provided by (used in) financing activities	9,057	13,716
Effect of exchange rate change on cash and cash equivalents	0	11
Net increase (decrease) in cash and cash equivalents	13,747	(9,984)
Cash and cash equivalents at beginning of period	6,268	20,045
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	30	–
Cash and cash equivalents at end of period	20,045	10,060

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

(Consolidated statement of cash flows)

“Decrease (increase) in prepaid expenses,” which was included in “Other” under “Cash flows from operating activities” in the previous fiscal year, has been separately presented from the fiscal year under review due to its increased monetary significance. In addition, “Compensation for forced relocation” and “Proceeds from compensation for forced relocation” have been separately presented from the fiscal year under review due to their increased monetary significance. On the other hand, “Loss on disposal of fixed assets” has been included in “Other, net” from the fiscal year under review due to its decreased significance. To reflect these changes in presentation, reclassifications to the consolidated financial statements for the previous fiscal year were made.

As a result, under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year, “Compensation for forced relocation” of ¥(49) million, “Decrease (increase) in prepaid expenses” of ¥(55) million and “Other, net” of ¥69 million, as well as “Proceeds from compensation for forced relocation” of ¥49 million under “Subtotal” were reclassified.

(Business combinations)

Business combination through acquisition

(1) Overview of Business Combination

(i) Name and business of the company that was acquired

Name: Horus HD Co., Ltd.  
Horus Co., Ltd.,

Business: Sale of eyeglasses, contact lenses and their accessories, and hearing aids

(ii) Main reason for business combination

Horus HD Group (hereinafter referred to as the “Target Company Group”), whose shares the Company has acquired, operates 299 eyeglass and contract lens retail stores nationwide (as of the end of December 2025) under its main brand Megane Super, while our Group operates 332 eyeglass retail stores nationwide (as of the end of December 2025) under its brand Zoff. By bringing the Target Company Group into our Group, a new eyewear retail company with over 600 stores will be created. The Target Company Group places strong emphasis on the sale of contact lenses, with contact lens sales (including e-commerce sales) exceeding eyeglass sales within the group’s net sales. Furthermore, contact lens customers tend to be younger and significantly overlap with our customer base. Therefore, the Company decided to proceed with the share acquisition, as it is expected to generate synergies, such as cross-selling opportunities.

(iii) Date of business combination

Date of share acquisition: October 1, 2025

Deemed transfer date: December 31, 2025

(iv) Legal form of business combination

Share acquisition with cash consideration

(v) Post-combination company name

No change has been made to the company name.

(vi) Percentage of voting rights acquired

100% (for Horus Co., Ltd., including voting rights held through Horus HD Co., Ltd.)

(vii) Major basis for determining the acquiring company

Because the Company acquires the shares with cash consideration.

(2) Period of operating results of the acquired company included in the consolidated financial statements

As the deemed acquisition date is set at December 31, 2025, only the balance sheet has been consolidated and operating results of the acquired company are not included in the consolidated statement of income for the fiscal year under review.

(3) Acquisition cost of the acquired company and the breakdown of consideration by type

Consideration for the acquisition	Cash	¥20,001 million
Acquisition cost		¥20,001 million

(4) Major acquisition-related expenses and amount thereof

Advisory commission and fees      ¥30 million

(5) Amount of goodwill that occurred, reason for occurrence, and amortization method and period

(i) Amount of goodwill occurred

¥23,865 million

The amount of goodwill is provisional as the allocation of acquisition cost was not completed at the end of the fiscal year under review.

(ii) Reason for occurrence

Excess earning power that is expected to be generated from future business developments.

(iii) Amortization method and period

The Company plans to estimate the period over which investment effects will develop, and amortize goodwill in equal amounts over a reasonable period. The amortization period is currently being calculated.

(6) Amount of assets acquired and liabilities assumed on the date of business combination and breakdown thereof

Current assets	¥9,395 million
Non-current assets	¥9,085 million
Total assets	¥18,481 million
Current liabilities	¥6,294 million
Non-current liabilities	¥11,665 million
Total liabilities	¥17,959 million

(7) Approximate amount of the impact of the business combination on the consolidated statement of income for the fiscal year under review on the assumption that the business combination was completed at the beginning of the fiscal year and its calculation method

Net sales	¥28,630 million
Operating profit	¥1,564 million

(Calculation method of approximate amount)

The approximate amount of the impact is based on the difference between net sales and profit or loss information calculated on the assumption that the business combination was completed at the beginning of the fiscal year and net sales and profit or loss information in the consolidated statement of income of the acquiring company.

The approximate amount of the impact has not been audited.

(Segment information, etc.)

## 1 Overview of reportable segments

### (1) Method of determining reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group primarily sells eyeglasses and related products, with domestic subsidiaries in Japan and overseas subsidiaries in each country. Each local subsidiary is an independent management unit that formulates comprehensive strategies, policies, and targets for each region with respect to the products it handles and develops business activities.

Therefore, the Group consists of two reportable segments, "Domestic Business" and "Overseas Business," which are based on the sales structure and are separated into geographic regions.

### (2) Products and services in each reportable segment

In the Domestic Business and Overseas Business segments, the Group mainly sells eyeglasses and related products, with local subsidiaries in each country handling sales in stores and online.

## 2 Calculation methods for net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods used for the reportable business segments are generally the same as those used in the preparation of the consolidated financial statements.

The profit or loss of each reportable segment is based on operating profit.

Intersegment revenues and transfers are based on prevailing market prices.

### 3 Information on sales, profit or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (January 1, 2024 through December 31, 2024)

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	43,977	868	44,845	–	44,845
Intersegment sales and transfers	291	–	291	(291)	–
Total	44,269	868	45,137	(291)	44,845
Segment profit (loss)	5,022	(22)	5,000	12	5,012
Segment assets	34,720	268	34,988	(146)	34,842
Segment liabilities	11,597	471	12,068	(284)	11,783
Other items					
Depreciation and amortization	808	7	815	–	815
Increase in property, plant and equipment and intangible assets	1,776	0	1,776	–	1,776

Notes: 1. Adjustments are as follows:

- (1) Adjustments to segment profit (loss) mainly consist of eliminations of intersegment transactions and unrealized profit adjustments.
  - (2) Adjustments to segment assets and segment liabilities are mainly due to eliminations of intersegment transactions.
2. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

Current fiscal year (January 1, 2025 through December 31, 2025)

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	49,253	898	50,151	–	50,151
Intersegment sales and transfers	290	–	290	(290)	–
Total	49,543	898	50,441	(290)	50,151
Segment profit (loss)	5,937	52	5,990	0	5,990
Segment assets	62,831	311	63,142	(190)	62,952
Segment liabilities	36,800	412	37,212	(226)	36,986
Other items					
Depreciation and amortization	1,089	7	1,096	–	1,096
Increase in property, plant and equipment and intangible assets	2,611	–	2,611	–	2,611

Notes: 1. Adjustments are as follows:

- (1) Adjustments to segment profit mainly consist of eliminations of intersegment transactions.
  - (2) Adjustments to segment assets and segment liabilities are mainly due to eliminations of intersegment transactions.
2. Segment profit is adjusted with operating profit in the consolidated statement of income.

#### 4 Information on assets by reportable segment

In the current fiscal year, the Company acquired shares of Horus HD Co., Ltd. and Horus Co., Ltd., which were newly included in the scope of consolidation. Consequently, the amount of segment assets of “Domestic Business” at the end of the current fiscal year increased by ¥18,481 million from the end of the previous fiscal year.

## 5 Information on impairment losses on fixed assets or goodwill, etc. by reportable segment

Previous fiscal year (January 1, 2024 through December 31, 2024)

(Significant impairment losses on fixed assets)

In the Domestic Business segment, an impairment loss of ¥92 million was recorded.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

Current fiscal year (January 1, 2025 through December 31, 2025)

(Significant impairment losses on fixed assets)

In the Domestic Business segment, an impairment loss of ¥39 million was recorded.

(Significant changes in the amount of goodwill)

The acquisition of shares of Horus HD Co., Ltd. and Horus Co., Ltd. and their inclusion in the scope of consolidation in the current fiscal year resulted in goodwill of ¥23,865 million in the Domestic Business segment.

The amount of goodwill is provisional as the allocation of acquisition cost has not been completed as of the end of the current fiscal year.

(Significant gain on negative goodwill)

Not applicable.

(Per share information)

	Previous fiscal year (January 1, 2024 through December 31, 2024)	Current fiscal year (January 1, 2025 through December 31, 2025)
Net assets per share (yen)	753.55	848.58
Basic earnings per share (yen)	151.31	134.62
Diluted earnings per share (yen)	145.66	130.98

Notes: 1. As the Company implemented a stock split on April 23, 2024, whereby each share of common stock was divided into 2,000 shares, net assets per share and basic earnings per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

2. Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous fiscal year (January 1, 2024 through December 31, 2024)	Current fiscal year (January 1, 2025 through December 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	3,515	4,119
Amount not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent for common stock (millions of yen)	3,515	4,119
Average number of shares outstanding of common stock during the period (shares)	23,230,328	30,600,000
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (millions of yen)	–	–
Increase in common stock (shares)	902,227	849,920
(of which stock acquisition rights) (shares)	(902,227)	(849,920)
Summary of potential stock not included in the calculation of diluted earnings per share due to the absence of dilutive effects	–	–

3. Basis for calculation of net assets per share is as follows:

	As of December 31, 2024	As of December 31, 2025
Total net assets (millions of yen)	23,058	25,966
Amount deducted from total net assets (millions of yen)	–	–
Net assets attributable to common stock at end of period (millions of yen)	23,058	25,966
Number of shares outstanding of common stock used in the calculation of net assets per share at end of period (shares)	30,600,000	30,600,000

(Significant subsequent events)

Not applicable.