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May 12, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

Company name: INTERMESTIC INC.
Listing: Tokyo Stock Exchange
Securities code: 262A
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	21,104	80.7	2,467	30.1	2,299	20.8	1,399	7.0
March 31, 2025	11,680	-	1,897	-	1,903	-	1,308	-

Note: Comprehensive income For the three months ended March 31, 2026: ¥1,459 million [11.6%]
For the three months ended March 31, 2025: ¥1,307 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	45.75	44.61
March 31, 2025	42.76	41.56

Note: Since the Company did not prepare quarterly consolidated financial statements for the three months ended March 31, 2024, year-on-year changes for the three months ended March 31, 2025 have been omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	62,568	26,079	41.7
December 31, 2025	65,668	25,966	39.5

Reference: Equity
As of March 31, 2026: ¥26,079 million
As of December 31, 2025: ¥25,966 million

Note: The provisional accounting treatment related to the business combination was finalized during the three months ended March 31, 2026. Accordingly, the figures as of December 31, 2025 reflect the finalization of the provisional accounting treatment.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	44.00	44.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		0.00	-	51.00	51.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

(Percentages indicate year-on-year changes.)

	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. Revisions to the financial results forecast most recently announced: None

2. The average number of shares outstanding during the period used as the basis for calculating “basic earnings per share” is the number of issued shares as of December 31, 2025 (excluding treasury shares).

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: -
Excluded: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Principal Notes, (3) Notes to Quarterly Consolidated Financial Statements, (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 11 of the attached document.

(3) 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

(4) Number of issued shares (common shares)

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

As of March 31, 2026	30,600,000 shares
As of December 31, 2025	30,600,000 shares

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

As of March 31, 2026	– shares
As of December 31, 2025	– shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	30,600,000 shares
Three months ended March 31, 2025	30,600,000 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters
(Cautionary statement regarding forward-looking statements)
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., (3) Explanation of Financial Results Forecast and Other Forward-looking Information" on page 6 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 Three Months Ended March 31, 2026

During the three months ended March 31, 2026, the Japanese economy remained on a moderate recovery trend, supported by improvement in employment and income conditions. However, in addition to the continued impact of changes in U.S. trade policy, oil prices rose amid growing tensions in the Middle East. Due to concerns over rising prices stemming from these circumstances, consumer sentiment became cautious, causing personal consumption to stagnate in some areas. In the global economy, uncertainty has intensified against the backdrop of U.S. policy developments and the resurgence of geopolitical risks, and this has become a factor affecting the Japanese economy. Furthermore, there continue to be concerns over fluctuations in international resource prices and unstable movements in financial and capital markets, and the outlook for domestic and overseas economic conditions remains difficult to predict.

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 number of stores during the three months ended March 31, 2026 stood at 335 under the Zoff business (all operated by Zoff Inc., a consolidated subsidiary) and 301 under the Megane Super business (all operated by Megane Super Co., Ltd., a consolidated subsidiary) in Japan, and 20 overseas (all franchisees, 17 in Hong Kong and 3 in Singapore).

As a result, on a consolidated basis for the three months ended March 31, 2026, net sales were ¥21,104 million (up 80.7% year-on-year), operating profit was ¥2,467 million (up 30.1% year-on-year), ordinary profit was ¥2,299 million (up 20.8% year-on-year), and profit attributable to owners of parent was ¥1,399 million (up 7.0% year-on-year).

A summary of results by segment is as follows.

Domestic Business

In the domestic Zoff business, the Company expanded its product lineup aimed at a wide range of customers by launching, as part of the high-durability "Galileo" series, "Galileo S01," featuring a slim structure and simple design, and "Galileo Lens," characterized by its high impact resistance, as well as offering various collaboration eyewear products that meet diverse customer needs.

The Company also worked to spur demand on the marketing front, including by holding the "25th Anniversary Fair" to commemorate the 25th anniversary of its founding.

The Megane Super business has begun to contribute to financial results in the Domestic Business from the three months ended March 31, 2026, as a result of the inclusion of the financial results of Horus HD Co., Ltd. and Horus Co., Ltd., whose shares were acquired with a deemed acquisition date of the end of the previous fiscal year, as well as four other companies that are subsidiaries of Horus Co., Ltd.

With regard to store development, the number of domestic stores stood at 335 under the Zoff business (4 opened and 1 closed) and 301 under the Megane Super business (3 opened and 1 closed).

As a result, domestic operations recorded segment sales of ¥20,963 million (up 81.9% year-on-year) and segment operating profit of ¥2,454 million (up 30.1% year-on-year).

Overseas Business

Regarding the Overseas Business, the business in Hong Kong continued to be affected by seasonal factors and consumption trends.

In Singapore, although the economy has been on a moderate growth trend, there were monthly fluctuations due to seasonal and other factors.

The businesses in both regions generally remained within expectations throughout the three months ended March 31, 2026.

With regard to store development, the number of stores totaled 20, with 17 in Hong Kong (no openings or closures) and 3 in Singapore (no openings or closures).

As a result, overseas operations recorded segment sales of ¥216 million (down 4.7% year-on-year) and segment operating profit of ¥12 million (up 26.6% year-on-year).

(2) Overview of Financial Position for the Three Months Ended March 31, 2026

Assets, Liabilities, and Net Assets

(Assets)

Total assets at the end of the first quarter of the current fiscal year decreased ¥3,100 million from the end of the previous fiscal year to ¥62,568 million.

Current assets decreased ¥3,056 million to ¥21,995 million. This was mainly due to a ¥2,455 million decrease in cash and deposits reflecting dividend payments, bonus payments, and other factors, as well as a ¥548 million decrease in deposits paid resulting from the collection of trade receivables recorded at the end of the previous fiscal year.

Non-current assets decreased ¥43 million to ¥40,572 million. This was mainly due to a ¥241 million increase in property, plant and equipment resulting from new store openings and renovations, while goodwill, customer-related intangible assets, and trademark right decreased by ¥208 million, ¥69 million, and ¥59 million, respectively, as a result of amortization.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year decreased ¥3,213 million from the end of the previous fiscal year to ¥36,488 million.

Current liabilities decreased ¥13,431 million to ¥21,181 million. This was mainly due to a ¥12,000 million decrease in short-term borrowings resulting from the repayment of bank loans, and a ¥1,303 million decrease in provision for bonuses reflecting bonus payments.

Non-current liabilities increased ¥10,217 million to ¥15,307 million. This was mainly due to a ¥10,284 million increase in long-term borrowings resulting from the execution of a syndicate loan.

(Net assets)

Total net assets at the end of the first quarter of the current fiscal year increased ¥112 million from the end of the previous fiscal year to ¥26,079 million.

This was mainly due to a ¥53 million increase in retained earnings resulting from dividend payments of ¥1,346 million and the recording of profit attributable to owners of parent of ¥1,399 million, as well as a ¥60 million increase in deferred gains or losses on hedges.

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

The consolidated financial results forecast for the fiscal year ending December 31, 2026 remains unchanged from that announced in “Consolidated Financial Results for the Fiscal Year Ended December 31, 2025” dated February 13, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	10,060	7,604
Accounts receivable - trade	3,068	2,990
Merchandise	7,170	7,235
Deposits paid	3,298	2,749
Other	1,530	1,490
Allowance for doubtful accounts	(76)	(76)
Total current assets	25,052	21,995
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,359	3,566
Tools, furniture and fixtures, net	1,733	1,788
Leased assets, net	675	655
Construction in progress	29	27
Other, net	218	218
Total property, plant and equipment	6,015	6,257
Intangible assets		
Goodwill	14,178	13,969
Customer-related intangible assets	4,476	4,406
Trademark right	7,969	7,909
Software	986	984
Other	37	37
Total intangible assets	27,648	27,307
Investments and other assets		
Investments in capital of subsidiaries and associates	27	27
Leasehold and guarantee deposits	4,803	4,817
Deferred tax assets	1,984	1,990
Other	216	251
Allowance for doubtful accounts	(78)	(78)
Total investments and other assets	6,952	7,007
Total non-current assets	40,616	40,572
Total assets	65,668	62,568

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	3,047	2,907
Short-term borrowings	18,000	6,000
Lease liabilities	272	270
Current portion of long-term borrowings	–	1,715
Accounts payable - other	4,693	3,822
Accrued expenses	336	454
Income taxes payable	1,731	992
Provision for bonuses	1,971	668
Contract liabilities	3,676	3,098
Deposits received	157	494
Other	724	756
Total current liabilities	34,612	21,181
Non-current liabilities		
Long-term borrowings	–	10,284
Lease liabilities	599	566
Retirement benefit liability	1,503	1,509
Deferred tax liabilities	2,716	2,671
Guarantee deposits received	109	111
Other	161	163
Total non-current liabilities	5,090	15,307
Total liabilities	39,702	36,488
Net assets		
Shareholders' equity		
Share capital	220	220
Capital surplus	10,240	10,240
Retained earnings	15,368	15,421
Total shareholders' equity	25,828	25,882
Accumulated other comprehensive income		
Deferred gains or losses on hedges	8	68
Foreign currency translation adjustment	129	128
Total accumulated other comprehensive income	137	197
Total net assets	25,966	26,079
Total liabilities and net assets	65,668	62,568

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three Months Ended March 31

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	11,680	21,104
Cost of sales	2,795	6,248
Gross profit	8,885	14,856
Selling, general and administrative expenses	6,988	12,388
Operating profit	1,897	2,467
Non-operating income		
Interest income	8	12
Foreign exchange gains	5	–
Other	0	5
Total non-operating income	13	18
Non-operating expenses		
Interest expenses	7	88
Commission expenses	–	90
Foreign exchange losses	–	6
Other	0	0
Total non-operating expenses	7	186
Ordinary profit	1,903	2,299
Extraordinary income		
Gain on sale of non-current assets	1	1
Total extraordinary income	1	1
Extraordinary losses		
Loss on retirement of non-current assets	22	34
Other	1	–
Total extraordinary losses	24	34
Profit before income taxes	1,880	2,266
Income taxes - current	594	943
Income taxes - deferred	(22)	(76)
Total income taxes	572	866
Profit	1,308	1,399
Profit attributable to owners of parent	1,308	1,399

Quarterly Consolidated Statement of Comprehensive Income

Three Months Ended March 31

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Profit	1,308	1,399
Other comprehensive income		
Deferred gains or losses on hedges	(12)	60
Foreign currency translation adjustment	11	(1)
Total other comprehensive income	(0)	59
Comprehensive income	1,307	1,459
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,307	1,459

(3) Notes to Quarterly Consolidated Financial Statements

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses for the Company and certain consolidated subsidiaries are calculated by reasonably estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year that includes the first quarter of the current fiscal year, and by multiplying quarterly profit before income taxes by such estimated effective tax rate.

However, if the calculation of tax expenses using such estimated effective tax rate produces significantly unreasonable results, the statutory effective tax rate is applied.

(Notes on segment information, etc.)

For the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

1. Information on sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	11,453	227	11,680	–	11,680
Intersegment sales and transfers	73	–	73	(73)	–
Total	11,527	227	11,754	(73)	11,680
Segment profit	1,887	10	1,897	0	1,897

Notes: 1. Adjustments to segment profit mainly consist of eliminations of intersegment transactions.
2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on assets by reportable segment

Not applicable.

3. Information on impairment losses of non-current assets or goodwill, etc. by reportable segment

Not applicable.

For the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

1. Information on sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	20,887	216	21,104	–	21,104
Intersegment sales and transfers	75	–	75	(75)	–
Total	20,963	216	21,179	(75)	21,104
Segment profit	2,454	12	2,467	0	2,467

Notes: 1. Adjustments to segment profit mainly consist of eliminations of intersegment transactions.
2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on assets by reportable segment

Not applicable.

3. Information on impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

Provisional accounting treatment was applied for the acquisition of shares of Horus HD Co., Ltd. and Horus Co., Ltd. and their inclusion in the scope of consolidation in the previous fiscal year. The treatment was finalized in the first quarter of the current fiscal year. As a result, the amount of goodwill in the Domestic Business segment decreased. Details are as provided in “(3) Notes to Quarterly Consolidated Financial Statements, (Business combinations).”

(Notes in case of significant changes in shareholders’ equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on statement of cash flows)

Quarterly consolidated statement of cash flows for the three months ended March 31, 2026 was not prepared. The amounts of depreciation and amortization (including amortization of intangible assets excluding goodwill) and amortization of goodwill during the period are as follows.

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Depreciation and amortization	222 million yen	549 million yen
Amortization of goodwill	− million yen	208 million yen

(Business combinations)

(Finalization of provisional accounting treatment related to business combination)

Provisional accounting treatment was applied in the previous fiscal year for the business combination with Horus HD Co., Ltd. and Horus Co., Ltd. conducted on October 1, 2025 (deemed acquisition date: December 31, 2025). The treatment was finalized in the first quarter of the current fiscal year.

In line with the finalization of the provisional accounting treatment, a material review has been reflected in the initially allocated amounts of the acquisition costs in the comparative information included in the quarterly consolidated financial statements for the three months ended March 31, 2026.

Consequently, the amount of goodwill provisionally calculated, ¥23,865 million, decreased by ¥9,687 million to ¥14,178 million due to the finalization of accounting treatment.

In addition, as of the end of the previous fiscal year, intangible assets excluding goodwill and non-current liabilities increased by ¥12,418 million and ¥2,716 million, respectively, and investments and other assets decreased by ¥14 million. There is no impact on the quarterly consolidated statement of income for the three months ended March 31, 2025.