Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 7, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: INTERMESTIC INC.
Listing: Tokyo Stock Exchange
Securities code: 262A
URL: https://www.zoff.com/en/
Representative: Hiroshi Ueno, Representative Director and President
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Telephone: +81-3-5468-8650
Scheduled date to file semi-annual securities report: August 7, 2026
Scheduled date to commence dividend payments: -
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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	43,305	80.7	4,954	33.9	4,709	27.3	2,906	15.0
June 30, 2025	23,970	10.1	3,699	19.9	3,700	25.7	2,527	25.4

Note: Comprehensive income For the six months ended June 30, 2026: ¥2,985 million [18.7%]
For the six months ended June 30, 2025: ¥2,514 million [26.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	94.94	92.63
June 30, 2025	82.61	80.31

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	65,788	27,680	42.1
December 31, 2025	65,668	25,966	39.5

Reference: Equity
As of June 30, 2026: ¥27,680 million
As of December 31, 2025: ¥25,966 million

Note: The provisional accounting treatment related to the business combination was finalized during the six months ended June 30, 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	-	0.00			
Fiscal year ending December 31, 2026 (Forecast)			-	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: Yes
Newly included: ZOFF I SINGAPORE PTE. LTD.
Excluded: -

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

Note: For details, please refer to “2. Semi-annual Consolidated Financial Statements and Principal Notes, (4) Notes to Semi-annual Consolidated Financial Statements, (Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)” on page 14 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 June 30, 2026	30,661,700 shares
As of December 31, 2025	30,600,000 shares

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

As of June 30, 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)

Six months ended June 30, 2026	30,610,667 shares
Six months ended June 30, 2025	30,600,000 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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., (4) Explanation of Financial Results Forecast and Other Forward-looking Information” on page 7 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 Six Months Ended June 30, 2026

During the six months ended June 30, 2026, the Japanese economy remained on a moderate recovery trend, supported by improvement in employment and income conditions. However, due to factors such as the impact of persistently rising prices on consumer sentiment and personal consumption, there were signs of caution in consumers' purchasing behavior, and personal consumption stagnated in some areas. In the global economy, in addition to the uncertainty surrounding U.S. trade policy, geopolitical risks, including escalating tensions in the Middle East, remain a concern and have become factors affecting the Japanese economy. Furthermore, there continue to be concerns over fluctuations in international resource and raw material prices and trends in foreign exchange, 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 six months ended June 30, 2026 stood at 345 under the Zoff business (all operated by Zoff Inc., a consolidated subsidiary) and 302 under the Megane Super business (all operated by Megane Super Co., Ltd., a consolidated subsidiary) in Japan, and 20 overseas (17 franchised stores in Hong Kong and 3 directly operated stores in Singapore).

From the six months ended June 30, 2026, consolidated financial results include 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., and these companies have begun to contribute to the financial results in the Domestic Business.

As a result, on a consolidated basis for the six months ended June 30, 2026, net sales were ¥43,305 million (up 80.7% year-on-year), operating profit was ¥4,954 million (up 33.9% year-on-year), ordinary profit was ¥4,709 million (up 27.3% year-on-year), and profit attributable to owners of parent was ¥2,906 million (up 15.0% year-on-year).

A summary of results by segment is as follows.

Domestic Business

Regarding the Domestic Business, in the domestic Zoff business, the Company sought to expand its product line-up by such means as starting in-store sales of blue-light-cut photochromic lenses, a feature-enhanced product, and rolling out collaboration products and various tie-up promotions that meet diverse customer needs.

The Company also worked to spur demand on the marketing front through various efforts, including TV commercials and other promotional campaigns featuring Ren Meguro and the "25th Anniversary Fair." In addition to these initiatives, growing demand for UV-related products leading into early summer helped drive strong sales of photochromic lenses and other related products.

In the Megane Super business, in anticipation of summer demand, the Company strived to capture seasonal demand by such effort as expanding product line-up and promoting sales of sunglasses. The Company also started to carry "Ray-Ban Meta," AI glasses, as part of its efforts to introduce new product offerings that go beyond provision of vision correction only. Sales of contact lenses grew, as the Company captured demand from people starting new lives in the early spring as well as demand from visitors to Japan.

With regard to store development, the number of domestic stores stood at 345 under the Zoff business (14 opened and 1 closed) and 302 under the Megane Super business (4 opened and 1 closed).

As a result, domestic operations recorded segment sales of ¥43,024 million (up 81.7% year-on-year) and segment operating profit of ¥4,929 million (up 33.9% year-on-year).

Overseas Business

Regarding the Overseas Business, in Hong Kong, while the external environment continued to change, the Company worked to tailor its product offerings and store operations to the characteristics of the local market. In Singapore, the Company transitioned its business from a franchise model to a directly operated model and started to establish a business operating framework that leverages the Group's management resources and expertise. In addition, the Company initiated efforts to review its product mix based on local customer needs and strengthen its marketing activities aligned with its product strategies.

With regard to store development, the number of stores stood at 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 ¥424 million (down 4.1% year-on-year) and segment operating profit of ¥25 million (up 44.3% year-on-year).

(2) Overview of Financial Position for the Six Months Ended June 30, 2026

Assets, Liabilities, and Net Assets

(Assets)

Total assets at the end of the second quarter of the current fiscal year increased ¥119 million from the end of the previous fiscal year to ¥65,788 million.

Current assets decreased ¥679 million to ¥24,372 million. This was mainly due to decreases of ¥366 million in accounts receivable - trade and ¥286 million in deposits paid resulting from the collection of trade receivables and others recorded at the end of the previous fiscal year.

Non-current assets increased ¥799 million to ¥41,415 million. This was mainly due to increases of ¥1,051 million in property, plant and equipment and ¥172 million in leasehold and guarantee deposits under investments and other assets resulting from new store openings and renovations, while goodwill, customer-related intangible assets, and trademark right decreased by ¥417 million, ¥139 million, and ¥118 million, respectively, as a result of amortization of intangible assets recognized in connection with a business combination.

(Liabilities)

Total liabilities at the end of the second quarter of the current fiscal year decreased ¥1,593 million from the end of the previous fiscal year to ¥38,108 million.

Current liabilities decreased ¥11,147 million to ¥23,464 million. This was mainly due to a ¥12,000 million decrease in short-term borrowings resulting from the repayment of bank loans, despite a ¥1,715 million increase in current portion of long-term borrowings associated with a syndicate loan agreement.

Non-current liabilities increased ¥9,553 million to ¥14,643 million. This was mainly due to a ¥9,644 million increase in long-term borrowings associated with a syndicate loan agreement.

(Net assets)

Total net assets at the end of the second quarter of the current fiscal year increased ¥1,713 million from the end of the previous fiscal year to ¥27,680 million.

This was mainly due to a ¥2,906 million increase due to the recording of profit attributable to owners of parent, despite a ¥1,346 million decrease resulting from dividend payments.

(3) Overview of Cash Flows for the Six Months Ended June 30, 2026

Cash and cash equivalents at the end of the six months ended June 30, 2026 decreased ¥145 million from the end of the previous fiscal year to ¥9,915 million. The respective cash flow positions and the factors thereof in the six months ended June 30, 2026 are as follows.

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

Net cash provided by operating activities totaled ¥3,944 million (net cash provided of ¥1,585 million in the same period of the previous fiscal year). The main positive factors included profit before income taxes of ¥4,632 million (¥3,648 million in the same period of the previous fiscal year), depreciation of ¥1,131 million (¥474 million in the same period of the previous fiscal year), and amortization of goodwill of ¥417 million. The main negative factors included income taxes paid of ¥1,642 million (¥1,236 million in the same period of the previous fiscal year), decrease in accounts payable - other of ¥843 million (decrease of ¥334 million in the same period of the previous fiscal year), and decrease in contract liabilities of ¥439 million (decrease of ¥225 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 ¥1,996 million (¥6,646 million used in the same period of the previous fiscal year). The main negative factors included expenditures of ¥1,403 million for the purchase of property, plant and equipment associated with new store openings and renovations (¥803 million used in the same period of the previous fiscal year) and ¥272 million for payments of leasehold and guarantee deposits (¥138 million used in the same period of the previous fiscal year).

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

Net cash used in financing activities amounted to ¥2,094 million (¥4,204 million used in the same period of the previous fiscal year). The main positive factors included proceeds from long-term borrowings associated with a syndicate loan agreement of ¥12,000 million, while the main negative factors included expenditures of ¥12,000 million for repayments of short-term borrowings (¥2,900 million used in the same period of the previous fiscal year), ¥1,347 million for dividend payments (¥1,229 million used in the same period of the previous fiscal year), and ¥640 million for repayments of long-term borrowings associated with a syndicate loan.

(4) 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. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	10,060	9,915
Accounts receivable - trade	3,068	2,702
Merchandise	7,170	7,331
Deposits paid	3,298	3,011
Other	1,530	1,486
Allowance for doubtful accounts	(76)	(75)
Total current assets	25,052	24,372
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,359	4,037
Tools, furniture and fixtures, net	1,733	2,031
Leased assets, net	675	672
Construction in progress	29	107
Other, net	218	217
Total property, plant and equipment	6,015	7,066
Intangible assets		
Goodwill	14,178	13,761
Customer-related intangible assets	4,476	4,336
Trademark right	7,969	7,850
Software	986	1,100
Other	37	37
Total intangible assets	27,648	27,085
Investments and other assets		
Investments in capital of subsidiaries and associates	27	27
Leasehold and guarantee deposits	4,803	4,975
Deferred tax assets	1,984	2,093
Other	216	245
Allowance for doubtful accounts	(78)	(78)
Total investments and other assets	6,952	7,263
Total non-current assets	40,616	41,415
Total assets	65,668	65,788

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	3,047	3,408
Short-term borrowings	18,000	6,000
Lease liabilities	272	273
Current portion of long-term borrowings	–	1,715
Accounts payable - other	4,693	4,084
Accrued expenses	336	380
Income taxes payable	1,731	2,054
Provision for bonuses	1,971	1,495
Contract liabilities	3,676	3,203
Deposits received	157	209
Other	724	640
Total current liabilities	34,612	23,464
Non-current liabilities		
Long-term borrowings	–	9,644
Lease liabilities	599	574
Retirement benefit liability	1,503	1,513
Deferred tax liabilities	2,716	2,627
Guarantee deposits received	109	112
Other	161	171
Total non-current liabilities	5,090	14,643
Total liabilities	39,702	38,108
Net assets		
Shareholders' equity		
Share capital	220	240
Capital surplus	10,240	10,261
Retained earnings	15,368	16,961
Total shareholders' equity	25,828	27,463
Accumulated other comprehensive income		
Deferred gains or losses on hedges	8	103
Foreign currency translation adjustment	129	113
Total accumulated other comprehensive income	137	216
Total net assets	25,966	27,680
Total liabilities and net assets	65,668	65,788

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

Six Months Ended June 30

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Net sales	23,970	43,305
Cost of sales	5,564	12,662
Gross profit	18,405	30,643
Selling, general and administrative expenses	14,705	25,688
Operating profit	3,699	4,954
Non-operating income		
Interest income	8	12
Other	2	13
Total non-operating income	10	26
Non-operating expenses		
Interest expenses	9	154
Commission expenses	–	90
Foreign exchange losses	0	24
Other	0	2
Total non-operating expenses	9	272
Ordinary profit	3,700	4,709
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on bargain purchase	–	17
Other	–	0
Total extraordinary income	1	20
Extraordinary losses		
Loss on retirement of non-current assets	50	89
Impairment losses	–	5
Other	2	3
Total extraordinary losses	53	97
Profit before income taxes	3,648	4,632
Income taxes - current	1,278	1,965
Income taxes - deferred	(157)	(239)
Total income taxes	1,120	1,726
Profit	2,527	2,906
Profit attributable to owners of parent	2,527	2,906

Semi-annual Consolidated Statement of Comprehensive Income

Six Months Ended June 30

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Profit	2,527	2,906
Other comprehensive income		
Deferred gains or losses on hedges	(35)	95
Foreign currency translation adjustment	21	(15)
Total other comprehensive income	(13)	79
Comprehensive income	2,514	2,985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,514	2,985

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,648	4,632
Depreciation	474	1,131
Impairment losses	–	5
Amortization of goodwill	–	417
Gain on bargain purchase	–	(17)
Increase (decrease) in provision for bonuses	(357)	(476)
Interest expenses	9	154
Amortization of lease and guarantee deposits	34	40
Decrease (increase) in trade receivables	486	371
Decrease (increase) in inventories	(449)	(127)
Decrease (increase) in deposits paid	(259)	286
Increase (decrease) in trade payables	299	331
Decrease (increase) in prepaid expenses	(67)	(114)
Decrease (increase) in accounts receivable - other	14	143
Increase (decrease) in accrued consumption taxes	(459)	(97)
Increase (decrease) in accounts payable - other	(334)	(843)
Increase (decrease) in contract liabilities	(225)	(439)
Increase (decrease) in deposits received	(31)	51
Other, net	40	160
Subtotal	2,824	5,609
Interest paid	(9)	(155)
Income taxes paid	(1,236)	(1,642)
Income taxes refund	–	116
Other, net	8	15
Net cash provided by (used in) operating activities	1,585	3,944
Cash flows from investing activities		
Payments into time deposits	(5,500)	–
Purchase of property, plant and equipment	(803)	(1,403)
Proceeds from sale of property, plant and equipment	5	2
Purchase of intangible assets	(170)	(236)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(10)
Payments of leasehold and guarantee deposits	(138)	(272)
Proceeds from refund of leasehold and guarantee deposits	12	11
Other, net	(52)	(87)
Net cash provided by (used in) investing activities	(6,646)	(1,996)

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,900)	(12,000)
Proceeds from long-term borrowings	–	12,000
Repayments of long-term borrowings	–	(640)
Repayments of lease liabilities	(74)	(146)
Proceeds from issuance of shares	–	40
Dividends paid	(1,229)	(1,347)
Net cash provided by (used in) financing activities	(4,204)	(2,094)
Effect of exchange rate change on cash and cash equivalents	14	1
Net increase (decrease) in cash and cash equivalents	(9,250)	(145)
Cash and cash equivalents at beginning of period	20,045	10,060
Cash and cash equivalents at end of period	10,794	9,915

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

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 half of the current fiscal year, and by multiplying semi-annual 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 six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

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

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in semi-annual consolidated statement of income (Note 2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	23,527	442	23,970	–	23,970
Intersegment sales and transfers	145	–	145	(145)	–
Total	23,673	442	24,116	(145)	23,970
Segment profit	3,681	17	3,699	0	3,699

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

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

Not applicable.

For the six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

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

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in semi-annual consolidated statement of income (Note 2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	42,880	424	43,305	–	43,305
Intersegment sales and transfers	143	–	143	(143)	–
Total	43,024	424	43,449	(143)	43,305
Segment profit	4,929	25	4,954	0	4,954

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

2. Information on assets by reportable segment

During the six months ended June 30, 2026, the Company acquired shares of ZOFF I SINGAPORE PTE. LTD. and newly included it in the scope of consolidation. As a result, as of June 30, 2026, the amount of segment assets in the Overseas Business segment increased by ¥149 million compared with December 31, 2025.

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 six months ended June 30, 2026. As a result, the amount of goodwill in the Domestic Business segment decreased. Details are as provided in "(4) Notes to Semi-annual Consolidated Financial Statements, (Business combinations)."

(Significant gain on bargain purchase)

During the six months ended June 30, 2026, the Company acquired shares of ZOFF I SINGAPORE PTE. LTD. and newly included it in the scope of consolidation. Consequently, the Company recognized ¥17 million in gain on bargain purchase under extraordinary income in the Overseas Business segment. As the gain on bargain purchase arising from the acquisition was recognized as extraordinary income, it is not included in segment profit.

(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 six months ended June 30, 2026.

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 semi-annual consolidated financial statements for the six months ended June 30, 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 semi-annual consolidated statement of income for the six months ended June 30, 2025.

(Business combination through acquisition)

(1) Overview of Business Combination

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

Name: ZOFF I SINGAPORE PTE. LTD.

Business: Manufacturing and sales of eyeglass lenses, eyeglass frames, sunglasses and related products; manufacturing and sales of cases for eyeglasses and contact lenses, cleaners, and other accessories for eyeglasses and contact lenses.

(ii) Main reason for business combination

As part of our ongoing review of overseas business operating structures on a market-by-market basis, the Group has determined to transition its Singapore business from a franchise model to a directly operated model, in light of the strategic importance of Singapore for our future expansion in Southeast Asia.

Singapore represents an important market not only as a hub for our medium- to long-term expansion into the ASEAN region, but also for enhancing brand penetration, product development, and the sophistication of our marketing initiatives. Through the transition to direct operations, we will directly deploy the Group's management resources and know-how, thereby promoting greater operational efficiency, faster decision-making, and improved profitability.

(iii) Date of business combination

Date of share acquisition: June 2, 2026

Deemed acquisition date: June 30, 2026

(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% (Voting rights held through INTERMESTIC SINGAPORE PTE. LTD.)

(vii) Major basis for determining the acquiring company

Because INTERMESTIC SINGAPORE PTE. LTD., a subsidiary of the Company, acquires the shares with cash consideration.

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

As the deemed acquisition date is set at June 30, 2026, only the balance sheet has been consolidated, and operating results of the acquired company are not included in the semi-annual consolidated statement of income for the six months ended June 30, 2026.

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

Consideration for the acquisition	Cash	SGD500,000 (¥62 million)
Acquisition cost		SGD500,000 (¥62 million)

(4) Amount of gain on bargain purchase that occurred and reason for occurrence

(i) Amount of gain on bargain purchase occurred

¥17 million

(ii) Reason for occurrence

As the fair value of the net assets at the business combination exceeded the acquisition cost, the Company recognized the difference as gain on bargain purchase.