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May 8, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (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, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	11,680	-	1,897	-	1,903	-	1,308	-
March 31, 2024	-	-	-	-	-	-	-	-

Note: Comprehensive income For the three months ended March 31, 2025: ¥1,307 million [-%]
For the three months ended March 31, 2024: - [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	42.76	41.56
March 31, 2024	-	-

Notes 1: Since the Company did not prepare quarterly consolidated financial statements for the first quarter of the fiscal year ending December 31, 2024, no figures for the first quarter of the fiscal year ending December 31, 2024 or percentage change from the same period of the previous year for the first quarter of the fiscal year ending December 31, 2025 are presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	30,107	23,135	76.8
Fiscal year ended December 31, 2024	34,842	23,058	66.2

Reference: Equity
As of March 31, 2025: ¥23,135 million
As of December 31, 2024: ¥23,058 million

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, 2024	-	0.00	-	40.20	40.20
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00		42.90	42.90

Notes 1: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial results forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	49,330	10.0	5,514	10.0	5,495	12.6	3,750	6.7	122.58

Notes 1: Revisions to the financial results forecast most recently announced: None

Notes 2: The average number of shares outstanding during the period used as the basis for calculating “net income per share” is the number of shares issued as of December 31, 2024 (excluding treasury stock).

*** 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 (Notes on accounting procedures specific to the preparation of quarterly consolidated financial statements)" on this 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, 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 March 31, 2025	0 shares
As of December 31, 2024	0 shares

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

Three months ended March 31, 2025	30,600,000 shares
Three months ended March 31, 2024	-

Notes 1: The Company has conducted a stock split on April 23, 2024, whereby one share of common stock was split into 2,000 shares. Therefore, the “number of shares issued at the end of the period,” “number of treasury shares at the end of the period,” and “average number of shares during the period” have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.
Notes 2: The Company has not prepared quarterly consolidated financial statements for the first quarter of the fiscal year ending December 2024, so the average number of shares during the period is not stated.

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

* Proper use of earnings forecasts, and other special matters

The financial results forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and they are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly from those forecasts due to a wide range of factors. For the above-mentioned financial results forecast, please refer to “1. Overview of Operating Performance and Other Matters, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

(How to obtain Supplementary Material)
Supplementary Material is disclosed on the same day on TDnet.

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1. Overview of Operating Performance and Other Matters

(1) Overview of Operating Performance for the Cumulative Consolidated Period of the Quarter

During the first quarter of the current fiscal year, the Japanese economy showed signs of a gradual recovery, supported by improvements in employment and income. However, continued inflationary pressures, which are expected to dampen consumer sentiment and affect personal consumption, as well as the impact of policy developments in the United States, pose downside risks to the Japanese economy. It is also necessary to pay close attention to the impact of fluctuations in financial and capital markets, and the outlook for the Japanese economy remains uncertain.

In this economic environment, the Group has been promoting its brand strategy, "Eye Performance," aiming to become a brand that is needed by society and people's daily lives by presenting new value not only as a vision correction device but also as a fashion item and a tool to expand human possibilities. We have been working to become a brand that is needed by society and people's daily lives.

The "SWEET" line of sweet and delicate frames inspired by ballet cores, and the "CHIC" line with chic colors and edgy shapes.The Company has been actively developing new products such as "SWEET & CHIC", a new collection of "Zoff | JOURNAL STANDARD relume", and a sunglasses collection with the popular select store "UNITED ARROWS".

With regard to advertising development, the Company launched an advertising campaign for lenses for eyeglasses, featuring Misaki Emura, a Japanese fencing athlete, as the brand ambassador.

With regard to store development, the number of stores in the first quarter under review totaled 311 in Japan (all operated by subsidiary ZOFF Corporation) and 21 overseas (all franchisees, 16 in Hong Kong and 5 in Singapore).

As a result of the above, net sales, operating income, ordinary income and net income attributable to shareholders of the parent company amounted to 11,680 million yen, 1,897 million yen, 1,903 million yen and 1,308 million yen, respectively, for the first quarter of the current consolidated fiscal year.

A summary of results by segment is as follows.

Domestic Business

In the domestic business, new products such as "SWEET & CHIC" and "Zoff | JOURNAL STANDARD relume" performed well, and sales were driven by UV-protection products such as UV-color-changing light-adjusting lenses and sunglasses.

With regard to store development, the number of stores in Japan totaled 311 (6 stores opened and 2 stores closed).

As a result of the above, the domestic business segment reported net sales of 11,527 million yen and segment operating income of 1,887 million yen.

Overseas Business

With regard to overseas operations, in Hong Kong, there was an economic slowdown and the impact of foreign exchange rates.

In Singapore, although the economy continued to grow moderately, there were signs of a slowdown, which had an impact on the Company's performance.

With regard to store development, we opened 16 stores in Hong Kong (no store openings or closings) and 5 stores in Singapore (no store openings or closings), for a total of 21 stores.

As a result of the above, the overseas business segment reported segment sales of 227 million yen and segment operating income of 10 million yen.

(2) Overview of Financial Position for the Cumulative Consolidated Period of the Quarter

(Assets)

Total assets at the end of the first quarter of the current fiscal year decreased 4,734 million yen from the end of the previous fiscal year to 30,107 million yen.

Current assets decreased 5,177 million yen to 22,771 million yen. This was mainly due to a 4,864 million yen decrease in cash and deposits resulting from repayment of bank loans and dividend payments.

Fixed assets increased 442 million yen to 7,335 million yen. This was mainly due to a 362 million yen increase in property, plant and equipment resulting from new store openings and renovations.

(Liabilities)

Total liabilities at the end of the first quarter under review decreased 4,812 million yen from the end of the previous fiscal year to 6,971 million yen.

Current liabilities decreased 4,869 million yen from the end of the previous fiscal year to 6,505 million yen, mainly due to a 2,900 million yen decrease in short-term loans payable as a result of repayment of bank loans and decreases of 708 million yen in income taxes payable and 669 million yen in provision for bonuses.

Fixed liabilities increased 56 million yen from the end of the previous fiscal year to 465 million yen, mainly due to a 37 million yen increase in lease obligations as a result of opening new stores and renovations.

(Net assets)

Total net assets at the end of the first quarter of the current fiscal year increased 77 million yen from the end of the previous fiscal year to 23,135 million yen.

This was mainly due to an increase of 1,308 million yen resulting from net income attributable to owners of the parent, which offset a decrease of 1,230 million yen resulting from dividend payments.

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

The consolidated earnings forecast for the fiscal year ending December 31, 2025 remains unchanged from that announced in the "Summary of Financial Results for the Year Ended December 31, 2024" dated February 14, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
cash on hand and in banks	20,045	15,181
accounts receivable	1,047	873
goods	3,799	3,876
Deposits paid	2,587	2,322
Other	468	518
Total current assets	27,948	22,771
fixed assets		
property, plant and equipment		
Buildings and structures, net	1,362	1,550
Tools, furniture and fixtures, net	983	1,098
Lease assets, net	366	408
Construction in progress	13	31
Total property, plant and equipment	2,726	3,089
Intangible fixed assets		
software	678	652
Other	24	23
Total intangible fixed assets	702	675
Investments and other assets		
Investments in affiliates	27	27
Lease and guarantee deposits	2,256	2,336
deferred tax asset	1,139	1,167
Other	52	51
Allowance for doubtful accounts	△11	△11
Total investments and other assets	3,464	3,571
Total fixed assets	6,893	7,335
Total assets	34,842	30,107

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
current liabilities		
accounts payable	888	919
Short-term debt	2,900	-
Lease obligations	115	122
arrears	2,831	2,618
accrued expenses	199	251
Accrued income taxes	1,345	637
Allowance for bonuses	981	312
contract liabilities	1,240	898
deposit (received)	113	282
Other	758	463
Total current liabilities	11,374	6,505
fixed liabilities		
Lease obligations	313	351
Guarantee Deposit	81	99
Other	13	15
Total long-term liabilities	409	465
total liabilities	11,783	6,971
Total net assets		
capital stock		
capital stock	220	220
Capital surplus	10,240	10,240
Retained earnings	12,479	12,557
Total shareholders' equity	22,939	23,018
Accumulated other comprehensive income		
Deferred gains or losses on hedges	-	△12
Foreign currency translation adjustments	118	130
Total accumulated other comprehensive income	118	117
Total net assets	23,058	23,135
Total liabilities and net assets	34,842	30,107

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended March 31, 2025

(Millions of yen)

	For the three months ended March 31, 2025
Net sales	11,680
cost of sales	2,795
Gross profit	8,885
Selling, general and administrative expenses	6,988
Operating income	1,897
Non-operating income	
interest income	8
profit on currency exchange	5
Other	0
Total non-operating income	13
Non-operating expenses	
interest expense	7
Other	0
Total non-operating expenses	7
Ordinary income	1,903
Extraordinary income	
Gain on sales of fixed assets	1
Total extraordinary income	1
Extraordinary loss	
Loss on disposal of fixed assets	22
Other	1
Total extraordinary loss	24
Income before income taxes and minority interests	1,880
Corporate, inhabitant and enterprise taxes	594
Income taxes-deferred	△22
Total income taxes	572
Net income	1,308
Net income attributable to owners of the parent	1,308

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended March 31, 2025

(Millions of yen)

	For the three months ended March 31, 2025
Net income	1,308
Other comprehensive income	
Deferred gains or losses on hedges	△12
Foreign currency translation adjustments	11
Total other comprehensive income	△0
Comprehensive income	1,307
(Breakdown)	
Comprehensive income attributable to owners of the parent	1,307

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on accounting procedures specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses for the Company and some of its consolidated subsidiaries are calculated by multiplying income before income taxes by an effective tax rate that is reasonably estimated by applying tax effect accounting to estimated income before income taxes for the consolidated fiscal year, including the first quarter under review.

However, if the calculation of tax expenses using such estimated effective tax rate would be significantly unreasonable, the statutory effective tax rate is used.

(Notes on Segment Information, etc.)

For the three months ended March 31, 2025

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

(Millions of Yen)

	Reportable Segment			Adjustments (Note1)	Quarterly Consolidated Statements of Income Amount (Note2)
	Domestic Business	Overseas Business	Total		
Net sales					
Sales to external customers	11,453	227	11,680	-	11,680
Inter-segment sales or transfers	73	-	73	△73	-
Total	11,527	227	11,754	△73	11,680
Segment income (loss)	1,887	10	1,897	0	1,897

Note 1: Adjustment of segment income is due to elimination of intersegment transactions, etc.
Note 2: Segment income is adjusted with operating income in the quarterly consolidated statements of income.

2. Information on assets by reportable segment

Not applicable

3. Information on impairment loss of fixed assets or goodwill, etc. by reportable segment

Not applicable

(Notes in the Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on the Cash Flow Statement)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets) for the first quarter of the current fiscal year is as follows Depreciation and amortization (including amortization related to intangible assets) for the first quarter of the current fiscal year is as follows

	For the three months ended March 31,2025
Depreciation and amortization	222 million yen