

# Quarterly Securities Report

(The Second Quarter of the 37th Fiscal Year)

**JINS HOLDINGS INC.**

This document was prepared based on the Company's Quarterly Securities Report in Japanese.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## [Cover Page]

[Document title]	Quarterly Securities Report
[Article of the applicable law requiring submission of this document]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed to]	Director-General of the Kanto Local Finance Bureau
[Filing date]	April 12, 2024
[Fiscal year]	Second quarter of the 37th term (from December 1, 2023 to February 29, 2024)
[Company name]	JINS HOLDINGS Inc.
[Company name in English]	JINS HOLDINGS Inc.
[Title and name of representative]	Hitoshi Tanaka, President and CEO
[Address of registered headquarter]	26-4 Kawaharamachi 2-chome, Maebashi-shi, Gunma (This is the address of the registered head office, but the actual business is conducted at the nearest place of contact.)
[Telephone number]	Not applicable
[Name of contact person]	Not applicable
[Nearest place of contact]	Yasuda Sequence Tower, 1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo
[Telephone number]	+81-3-6890-4800 (main number)
[Name of contact person]	Yukinori Arakawa, Executive Officer and General Manager of Administration Division
[Place for public inspection]	Tokyo Stock Exchange, Inc.  (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

## Part I Company Information

### I. Overview of Company

#### 1. Key financial data

Term	36th term Six months ended February 28, 2023	37th term Six months ended February 29, 2024	36th term
Accounting period	From September 1, 2022 to February 28, 2023	From September 1, 2023 to February 29, 2024	From September 1, 2022 to August 31, 2023
Net sales (millions of yen)	34,556	38,018	73,264
Ordinary profit (millions of yen)	1,505	2,598	3,739
Profit attributable to owners of parent (millions of yen)	772	1,556	1,762
Comprehensive income (millions of yen)	460	1,398	1,676
Net assets (millions of yen)	20,867	22,650	21,779
Total assets (millions of yen)	42,546	46,485	44,863
Earnings per share (yen)	33.11	66.69	75.50
Diluted earnings per share (yen)	29.28	63.58	69.42
Equity ratio (%)	49.0	48.7	48.5
Net cash provided by (used in) operating activities (millions of yen)	(424)	3,711	6,054
Net cash provided by (used in) investing activities (millions of yen)	(2,164)	(1,551)	(3,849)
Net cash provided by (used in) financing activities (millions of yen)	(10,416)	(1,359)	(11,502)
Cash and cash equivalents at the end of period (millions of yen)	8,327	13,203	12,202

Term	36th term 2nd quarter	37th term 2nd quarter
Accounting period	From December 1, 2022 To February 28, 2023	From December 1, 2023 To February 29, 2024
Earnings per share (yen)	16.98	41.85

- (Notes)
- As the Company prepares the quarterly consolidated financial statements, the description of key financial data of the submitting company is omitted.
  - In the calculation of earnings per share and diluted earnings per share, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)" are included in the treasury stock deducted in the calculation of the average number of shares during the period.

#### 2. Description of business

There are no significant changes in the description of business which the Company group (the Company and the Company's affiliates. Hereinafter, the "Group") operates during the six months ended February 29, 2024.

In addition, there are no changes in major affiliates.

## II. Overview of Business

### 1. Business risks

In the six months ended February 29, 2024, there were no matters that may have a significant impact on the judgment of investors in the overview of business, financial information and other matters stated in this Quarterly Securities Report or no significant changes in “Business Risks” stated in the Annual Securities Report for the previous fiscal year.

In addition, there were no material events.

### 2. Management analysis of financial position, operating results and cash flows

Forward-looking statements in this document are based on the Group’s judgments as of the end of this quarter of the fiscal year under review.

#### (1) Financial position and operating results

During the six months ended February 29, 2024 (September 1, 2023 to February 29, 2024), the Japanese economy experienced a recovery in inbound demand as social and economic activities have normalized with the diminishing impact of the novel coronavirus disease (COVID-19). However, the recovery of personal consumption remained at a standstill due to continuous inflation caused by a surge in raw material prices and currency movement. Looking at the global economy, while global inflation caused by rising prices of crude oil and raw materials, financial tightening policies, and other factors continue to affect the economy, China has seen slower growth mainly due to the sluggish real estate market and rising youth unemployment rate, and there are concerns about further downward risks to the economy.

The domestic retail eyewear market (eyeglasses for vision correction) seemed to exhibit a trend of recovery to the level before the outbreak of COVID-19 as the impact of the pandemic diminished.

Under this market environment, in the eyewear business, the Company and its consolidated subsidiaries (collectively, the “Group”) took such initiatives as strengthening development of innovative products and advancing store development, which they identified as management issues. With regard to product development, we developed products that fit the usage scenarios encountered by our customers and provided new product value through initiatives such as “JINS SCREEN FOR SLEEP,” which improve the sleeping environment, and “JINS HOME,” which are designed for at-home use. Also, we have continued a joint project to develop an eyeglass-shaped, violet-light-emitting medical device designed to suppress the progress of myopia, conducted as part of our initiatives to realize “the world free from myopia.” As for store strategies, we have promoted store openings at locations that are convenient to customers based on the market environment. In Japan, we opened stores mainly in suburban roadsides and small shopping malls. For overseas locations, we engaged in developing concepts for stores that are able to offer customers a new kind of shopping experience.

In terms of store development, the number of stores as of February 29, 2024, was 732, including 483 stores in Japan and 249 stores overseas (176 in China, 60 in Taiwan, 9 in Hong Kong, and 4 in the United States).

As a result, for the six months ended February 29, 2024, the Company posted net sales of ¥38,018 million (up 10.0% year-on-year) partly thanks to the impact of new store openings in Japan and overseas. Operating profit was ¥2,563 million (up 69.9% year-on-year), ordinary profit was ¥2,598 million (up 72.7% year-on-year), and profit attributable to owners of parent was ¥1,556 million (up 101.4% year-on-year), achieving increased sales and profits.

#### (2) Analysis and examination of operating results, etc. from management perspective

##### 1) Business results by segment

###### <Domestic Eyewear Business>

In the domestic eyewear business, as in the previous fiscal year, we stepped up sales activities targeting every customer visiting our store and saw more customers purchase optional lenses, such as “JINS Ultra-Thin Lenses,” double-sided aspherical lenses with the world’s highest level of refractive index. Sales were also driven by “JINS HOME” series of eyeglasses, which are specifically designed for at-home use and combine comfortable, stress-free fit with a design that allows users to enjoy everyday life in their own way, in addition to the “Disney 100 Eyewear Collection by JINS” to celebrate Disney’s 100th anniversary. Meanwhile, membership of the JINS app reached approximately 14.34 million people as of the end of February 2024.

In terms of store development, the number of stores in Japan was 483 (12 openings and 2 closures).

As a result, net sales of the domestic eyewear business were ¥28,938 million (up 10.3% year-on-year), and segment operating profit was ¥2,406 million (up 62.9% year-on-year).

<Overseas Eyewear Business>

In the overseas eyewear business, in China, although the impact of COVID-19 diminished, the continued weakness of consumption due to the sluggish real estate market and rising youth unemployment rate had an impact on the Company's business performance.

In Taiwan, business performance was strong mainly due to continued favorable feedback of the Made in Japan lenses that are available as an option.

In Hong Kong, although net sales of new stores steadily grew, business performance was lower than expected due to impact from economic stagnation, as witnessed in China.

In the United States, we have promoted business structure reform aimed at expanding the scale of business, centered on the EC business. Meanwhile, net sales of the existing stores also remained strong.

In terms of store development, the total number of stores overseas was 249 as of the end of the period under review, including 176 stores in China (7 openings and 3 closures), 60 in Taiwan (5 openings and no closures), 9 in Hong Kong (no openings or closures), and 4 in the United States (no openings or closures).

As a result, net sales of the overseas eyewear business were ¥9,079 million (up 9.3% year-on-year), and segment operating profit was ¥157 million (up 388.5% year-on-year).

## 2) Analysis of financial position

### (a) Assets

Current assets increased ¥1,390 million from the end of the previous fiscal year to ¥25,148 million.

This was mainly due to increases of ¥1,000 million in cash and deposits and ¥923 million in merchandise and finished goods, despite a decrease of ¥289 million in accounts receivable - trade.

Non-current assets increased ¥231 million from the end of the previous fiscal year to ¥21,336 million.

This was mainly due to an increase of ¥249 million in property, plant and equipment such as buildings and structures as a result of the Group's expansion of retail stores.

As a result, total assets increased ¥1,621 million from the end of the previous fiscal year to ¥46,485 million.

### (b) Liabilities

Current liabilities increased ¥10,726 million from the end of the previous fiscal year to ¥21,997 million.

This was mainly due to the transfer of ¥10,010 million of current portion of convertible bond-type bonds with share acquisition rights from non-current liabilities and an increase of ¥1,158 million in accounts payable - trade.

Non-current liabilities decreased ¥9,976 million from the end of the previous fiscal year to ¥1,837 million.

This was mainly due to the transfer of ¥10,010 million of current portion of convertible bond-type bonds with share acquisition rights to current liabilities.

As a result, total liabilities increased ¥750 million from the end of the previous fiscal year to ¥23,834 million.

### (c) Net assets

Net assets increased ¥871 million from the end of the previous fiscal year to ¥22,650 million.

This was mainly due to the recording of ¥1,556 million in profit attributable to owners of parent, despite a decrease of ¥583 million due to the payment of dividends.

## 3) Cash flows

Cash and cash equivalents as of the end of the second quarter of the fiscal year under review increased ¥1,000 million from the end of the previous fiscal year to ¥13,203 million. State of each cash flow and factors thereof are as follows:

### (a) Cash flows from operating activities

Net cash provided by operating activities increased ¥4,136 million year on year to ¥3,711 million.

This was mainly due to an increase in funds resulting from the recording of ¥2,522 million in profit before income taxes and ¥1,416 million in depreciation and an increase of ¥1,154 million in trade payables, despite a decrease in funds due to ¥965 million of an increase in inventories and ¥652 million of income taxes paid.

### (b) Cash flows from investing activities

Net cash used in investing activities decreased ¥612 million year on year to ¥1,551 million.

This was mainly due to the use of ¥1,096 million in purchase of property, plant and equipment in line with the opening and refurbishing of stores, etc.

### (c) Cash flows from financing activities

Net cash used in financing activities decreased ¥9,057 million year on year to ¥1,359 million.

This was mainly due to a decrease in funds due to ¥582 million of dividends paid and ¥288 million of repayments of installment payables.

## (3) Research and development activities

Total research and development expenses were ¥40 million for the six months ended February 29, 2024.

There was no material change in the Group's research and development activities during the six months ended February 29, 2024.

### 3. Material contracts, etc.

There was no decision or conclusion of material management contracts, etc. during the second quarter of the fiscal year under review.

### III. Status of the Submitting Company

#### 1. Status of Shares, etc.

##### (1) Total Number of Shares, etc.

###### 1) Total Number of Shares

Class	Total number of authorized shares (shares)
Common stock	73,920,000
Total	73,920,000

###### 2) Issued Shares

Class	As of the end of 2nd quarter of the fiscal year (shares) (February 29, 2024)	As of the submission date (shares) (April 12, 2024)	Stock exchange on which the Company is listed	Details
Common stock	23,980,000	23,980,000	Tokyo Stock Exchange Prime Section	The number of shares constituting one unit: 100 shares
Total	23,980,000	23,980,000	—	—

##### (2) Status of Share Acquisition Rights, etc.

###### 1) Details of the Stock Option Plan

Not applicable.

###### 2) Status of Other Share Acquisition Rights, etc.

Not applicable.

##### (3) Status of Exercises of Moving Strike Convertible Bonds, etc.

Not applicable.

##### (4) Changes in the Total Number of Shares Issued and the Amount of Common Stock, etc.

Date	Changes in the total number of shares issued (shares)	Balance of the total number of shares issued (shares)	Changes in common stock (millions of yen)	Balance of common stock (millions of yen)	Changes in legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
From December 1, 2023 to February 29, 2024	—	23,980,000	—	3,202	—	3,157



## (5) Status of Major Shareholders

As of February 29, 2024

Name	Address	Number of shares held (shares)	Percentage of the number of shares held in the total number of shares issued (excluding treasury stock) (%)
Hitoshi Tanaka	Maebashi-shi, Gunma	8,104,023	34.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1 Akasaka 1-chome, Minato-ku, Tokyo	1,549,600	6.55
MARS G.K.	1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo	1,200,000	5.08
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	772,400	3.27
Jupiter Corporation	1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo	600,000	2.54
Venus Corporation	1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo	600,000	2.54
SMBC Nikko Securities Inc.	3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo	509,400	2.15
J. P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT (Standing Proxy: Tokyo Branch, Citibank, N.A.)	25 BANK STREET, CANARY WHARF LONDON E14 5JP UK	467,260	1.98
Yutaka Nakamura	Minato-ku, Tokyo	400,000	1.69
BNP PARIBAS LUXEMBOURG/2S /JASDEC/JANUS HENDERSON HORIZON FUND (Standing Proxy: Custody Services Division, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	33 RUE DE GASPERICH, L-5826 HOWALD-HESPERANGE, LUXEMBOURG	390,200	1.65
Total	—	14,592,883	61.73

- (Notes) 1. The number of shares held by The Master Trust Bank of Japan, Ltd. of 1,549,600 shares relates to trust operations. These shares include 55,600 shares held in pension trusts, 381,400 shares held in investment trusts, and 1,112,600 shares held in other trusts.
2. The number of shares held by Custody Bank of Japan, Ltd. of 772,400 shares relates to trust operations. These shares include 30,100 shares held in pension trusts, 581,400 shares held in investment trusts, and 160,900 shares held in other trusts.
3. The Company has introduced a “Stock Granting Trust (J-ESOP),” in which Japan Custody Bank, Ltd. (Trust Account E) holds 300,000 shares of the Company’s shares. The Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) are not included in the treasury stock.
4. The number of shares held by officers is the actual number of shares held by them including the shares held by the Company’s Executive Officer Stock Ownership Association.

(6) Status of Voting Rights

1) Issued Shares

As of February 29, 2024

Classification	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 339,900	—	—
Shares with full voting rights (others)	Common stock 23,625,000	236,250	Number of shares per unit: 100 shares
Odd-lot shares	Common stock 15,100	—	—
Total number of shares issued	23,980,000	—	—
Total voting rights held by shareholders	—	236,250	—

(Note) Common stock in the column “Shares with full voting rights (others)” includes 300,000 shares (3,000 voting rights) held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of “Stock Granting Trust (J-ESOP).”

2) Treasury Stock, etc.

As of February 29, 2024

Name of shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of the number of shares held in the total number of shares issued (%)
JINS HOLDINGS Inc.	26-4 Kawaharamachi 2-chome, Maebashi-shi, Gunma	339,900	—	339,900	1.42
Total	—	339,900	—	339,900	1.42

(Note) Treasury stock, etc. above do not include 300,000 shares held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of “Stock Granting Trust (J-ESOP).”

2. Status of Officers

Not applicable.

## **IV. Financial Information**

### **1. Preparation methods of quarterly consolidated financial statements**

The quarterly consolidated financial statements of the Company are prepared based on the Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Order No. 64 of 2007).

### **2. Audit certification**

The Company's quarterly consolidated financial statements for the second quarter of the fiscal year under review (from December 1, 2023 to February 29, 2024) and the six months ended February 29, 2024 (from September 1, 2023 to February 29, 2024) have received a quarterly review by Ernst & Young ShinNihon LLC, pursuant to provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

# 1. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	12,202	13,203
Accounts receivable – trade	5,059	4,770
Merchandise and finished goods	4,107	5,030
Work in process	-	19
Raw materials and supplies	474	538
Other	1,912	1,586
<b>Total current assets</b>	<b>23,757</b>	<b>25,148</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,022	9,527
Other, net	2,099	1,844
<b>Total property, plant and equipment</b>	<b>11,122</b>	<b>11,371</b>
<b>Intangible assets</b>	<b>1,991</b>	<b>2,087</b>
Investments and other assets		
Leasehold and guarantee deposits	4,101	4,152
Other	3,890	3,724
<b>Total investments and other assets</b>	<b>7,991</b>	<b>7,876</b>
<b>Total non-current assets</b>	<b>21,105</b>	<b>21,336</b>
<b>Total assets</b>	<b>44,863</b>	<b>46,485</b>

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	1,745	2,904
Current portion of convertible bond-type bonds with share acquisition rights	-	10,010
Short-term borrowings	1,887	1,631
Current portion of long-term borrowings	33	31
Accounts payable - other, and accrued expenses	4,986	4,748
Income taxes payable	793	966
Provision for bonuses	85	226
Provision for product warranties	190	186
Other	1,547	1,292
Total current liabilities	11,270	21,997
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	10,015	-
Long-term borrowings	11	28
Asset retirement obligations	1,070	1,104
Other	716	704
Total non-current liabilities	11,813	1,837
Total liabilities	23,083	23,834
Net assets		
Shareholders' equity		
Common stock	3,202	3,202
Capital surplus	3,228	3,201
Retained earnings	20,081	20,175
Treasury stock	(5,003)	(4,040)
Total shareholders' equity	21,509	22,538
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93	56
Foreign currency translation adjustment	175	54
Total accumulated other comprehensive income	269	111
Total net assets	21,779	22,650
Total liabilities and net assets	44,863	46,485

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income

Six months ended February 28, 2023 and February 29, 2024

(Millions of yen)

	For the six months ended February 28, 2023	For the six months ended February 29, 2024
Net sales	34,556	38,018
Cost of sales	7,599	8,394
Gross profit	26,957	29,623
Selling, general and administrative expenses	*1 25,448	*1 27,059
Operating profit	1,509	2,563
Non-operating income		
Interest income	42	8
Foreign exchange gains	-	86
Subsidy income	180	0
Reversal of allowance for business structure reform expenses	61	-
Other	35	35
Total non-operating income	320	130
Non-operating expenses		
Interest expenses	71	64
Share of loss of entities accounted for using equity method	53	18
Rental expenses on real estate	98	-
Foreign exchange losses	50	-
Other	50	13
Total non-operating expenses	324	95
Ordinary profit	1,505	2,598
Extraordinary losses		
Loss on retirement of non-current assets	47	65
Loss on store closings	16	10
Loss due to temporary store closures	*2 74	-
Total extraordinary losses	139	76
Profit before income taxes	1,365	2,522
Income taxes – current	622	811
Income taxes – deferred	(29)	154
Total income taxes	592	965
Profit	772	1,556
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	772	1,556

Quarterly Consolidated Statements of Comprehensive Income  
Six months ended February 28, 2023 and February 29, 2024

(Millions of yen)

	For the six months ended February 28, 2023	For the six months ended February 29, 2024
Profit	772	1,556
Other comprehensive income		
Valuation difference on available-for-sale securities	(53)	(36)
Foreign currency translation adjustment	(248)	(17)
Share of other comprehensive income of entities accounted for using equity method	(10)	(103)
Total other comprehensive income	(312)	(157)
Comprehensive income	460	1,398
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	460	1,398
Comprehensive income attributable to non-controlling interests	-	-

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended February 28, 2023	For the six months ended February 29, 2024
<b>Cash flows from operating activities:</b>		
Profit before income taxes	1,365	2,522
Depreciation	1,487	1,416
Increase (decrease) in provision for bonuses	19	141
Increase (decrease) in provision for product warranties	(7)	(4)
Increase (decrease) in allowance for business structure reform expenses	(642)	-
Interest and dividend income	(42)	(8)
Subsidy income	(180)	(0)
Interest expenses	71	64
Foreign exchange losses (gains)	5	(92)
Share of loss (gain) of entities accounted for using equity method	53	18
Loss on retirement of non-current assets	47	65
Loss on store closings	16	10
Decrease (increase) in trade receivables	513	281
Decrease (increase) in inventories	(1,169)	(965)
Decrease (increase) in other assets	(126)	59
Increase (decrease) in trade payables	(1,158)	1,154
Increase (decrease) in accrued consumption taxes	(89)	(295)
Increase (decrease) in accounts payable - other	(159)	49
Increase (decrease) in accrued expenses	(74)	42
Increase (decrease) in other liabilities	126	(168)
Other, net	43	66
Subtotal	100	4,355
Interest and dividends received	4	3
Interest paid	(62)	(64)
Income taxes paid	(647)	(652)
Proceeds from subsidy income	180	0
Other	-	68
Net cash provided by (used in) operating activities	(424)	3,711
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(1,322)	(1,096)
Purchase of intangible assets	(411)	(309)
Loan advances	(278)	(78)
Collection of loans receivable	35	41
Payments of leasehold and guarantee deposits	(269)	(186)
Proceeds from refund of leasehold and guarantee deposits	138	87
Purchase of investment securities	(56)	(10)
Other	-	1
Net cash provided by (used in) investing activities	(2,164)	(1,551)



(Millions of yen)

	For the six months ended February 28, 2023	For the six months ended February 29, 2024
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings	287	(257)
Repayments of long-term borrowings	(141)	(24)
Redemption of convertible bond-type bonds with share acquisition rights	(10,000)	—
Repayments of installment payables	(335)	(288)
Purchase of treasury stock	(0)	(1,383)
Proceeds from sale of treasury stock	-	1,383
Repayments of lease obligations	(226)	(205)
Dividends paid	(0)	(582)
Net cash provided by (used in) financing activities	(10,416)	(1,359)
Effect of exchange rate changes on cash and cash equivalents	(98)	106
Net increase (decrease) in cash and cash equivalents	(13,103)	907
Cash and cash equivalents at the beginning of period	21,430	12,202
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	93
Cash and cash equivalents at the end of period	* 8,327	* 13,203

[Notes]

(Change in the scope of consolidation or the scope of application of the equity method)

(Significant change in the scope of consolidation)

From the first quarter of the fiscal year under review, Yamato Technical Co., Ltd. is included in the scope of consolidation due to its increased significance.

JINS SHENYANG CO., LTD., a consolidated subsidiary of the Company, was dissolved through an absorption-type merger with JINS SHANGHAI CO., LTD. as the surviving company in the second quarter of the fiscal year under review. In addition, Think Lab Inc. has completed its liquidation.

(Significant change in the scope of application of the equity method)

From the first quarter of the fiscal year under review, FITTINGBOX S.A. is excluded from the scope of application of the equity method because of a decrease in the ownership ratio due to issuance of new shares.

(Additional information)

(Transactions of delivering the Company's shares to employees, etc. through a trust)

The Company, at the Board of Directors meeting held on January 12, 2024, resolved to introduce "Stock Granting Trust (J-ESOP)" (hereinafter referred to as the "Plan" and a trust created under a trust agreement entered into with Mizuho Trust & Banking Co., Ltd. regarding the Plan is referred to as the "Trust.") as an incentive plan to grant the Company's shares to employees of the Company and its subsidiaries (hereinafter referred to as the "Employees") in order to raise their willingness and motivation to increase stock price and business results by enhancing the connection between the Company's stock price and business results with the treatment for Employees, and sharing economic benefits with our shareholders, and to conduct transactions to deliver the Company's shares to Employees through a trust.

#### 1. Overview of the Plan

The Plan, which is a trust-type scheme based on the U.S. Employee Stock Ownership Plan (ESOP), grants the Employees who meet certain requirements the Company's shares and monies equivalent to the amount obtained by converting the Company's shares at the market value (hereinafter referred to as the "Company's Shares, etc."), based on the Stock Granting Regulations predetermined by the Company.

The Company will grant points to the Employees according to the Company's business results, etc. and when they obtain the right to receive as such under certain conditions, the Company will grant them an amount of the Company's Shares, etc. equivalent to such points granted. Shares to be granted to the Employees, including those for the future, will be acquired using monies established as a trust beforehand and are separately managed as trust assets.

Through introducing the Plan, the Company expects to raise the Employees' awareness toward increasing the stock price and business results and contribute to providing higher motivation for engaging in their duties.

#### 2. The Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded at book value in the Trust (excluding the amount of incidental expenses) as treasury stock under net assets. The book value and number of the corresponding treasury stock as of the end of the second quarter of the fiscal year under review were ¥1,383 million yen and 300,000 shares, respectively.

(Quarterly Consolidated Balance Sheet)

#### I. Liability on guarantees

The Group entered into proxy deposit agreements with lessors and financial institutions regarding leasehold and guarantee deposits on some leasehold properties.

Based on the agreements, the financial institutions have deposited the amounts equivalent to leasehold and guarantee deposits to the lessors, and the Group guaranteed the obligations of the lessors to refund the leasehold and guarantee deposits to the financial institutions.

	Previous consolidated fiscal year (August 31, 2023)	2nd quarter of consolidated fiscal year under review (February 29, 2024)
	¥227 million	¥227 million

## II. Financial covenants

Previous consolidated fiscal year (August 31, 2023)

The Company entered into loan commitment agreements with counterparty banks to flexibly and stably procure working capital and funding for capital investments mainly for new store openings, and the said loan commitment agreements are subject to financial covenants.

(1) Loan commitment agreements entered into on August 26, 2022

Total amount of loan commitments	¥8,000 million
Available amount at the year-end	¥4,000 million
Outstanding borrowings	-
<hr/>	
Unused balance	¥4,000 million

Financial covenants on the loan commitment agreements above

- 1) Total net assets in the consolidated balance sheets at each year-end after the effective date of the agreement must be at least 75% of those at the year-end immediately before the effective date of the agreement or at least 75% of those at the most recent year-end, whichever is higher.
- 2) The Company shall not record ordinary loss for two consecutive years in the consolidated statement of income at each fiscal year-end after the effective date of the agreement.

Second quarter of the consolidated fiscal year under review (February 29, 2024)

The Company entered into loan commitment agreements with counterparty banks to flexibly and stably procure working capital and funding for capital investments mainly for new store openings, and the said loan commitment agreements are subject to financial covenants.

(1) Loan commitment agreements entered into on August 26, 2022

Total amount of loan commitments	¥8,000 million
Available amount at the period-end	¥4,000 million
Outstanding borrowings	-
<hr/>	
Unused balance	¥4,000 million

Financial covenants on the loan commitment agreements above

- 1) Total net assets in the consolidated balance sheets at each year-end after the effective date of the agreement must be at least 75% of those at the year-end immediately before the effective date of the agreement or at least 75% of those at the most recent year-end, whichever is higher.
- 2) The Company shall not record ordinary loss for two consecutive years in the consolidated statement of income at each fiscal year-end after the effective date of the agreement.

(Quarterly Consolidated Statements of Income)

\*1. Major components and amounts of selling, general and administrative expenses were as follows:

	Six months ended February 28, 2023	Six months ended February 29, 2024
Salaries and allowances	¥7,472 million	¥7,813 million
Rent expenses on land and buildings	¥5,911 million	¥6,283 million
Advertising expenses	¥1,278 million	¥1,573 million
Research and development expenses	¥23 million	¥40 million

\*2. Loss due to temporary store closures

For the six months ended February 28, 2023

In response to intermittent lockdowns of Chinese cities due to the spread of COVID-19, the Group had to shut down up to 126 stores. The Group recorded a loss due to temporary store closures of ¥74 million, which includes rent expenses on land and buildings during the store closing periods, in extraordinary losses.

For the six months ended February 29, 2024

Not applicable.

(Quarterly Consolidated Statements of Cash Flows)

\* Reconciliation of cash and cash equivalents in the quarterly consolidated statements of cash flows and cash and deposits in the quarterly consolidated balance sheets as of February 29, 2024 and February 28, 2023 was as follows:

	Six months ended February 28, 2023	Six months ended February 29, 2024
Cash and deposits	¥8,327 million	¥13,203 million
Time deposits with maturities over three months, etc.	—	—
Cash and cash equivalents	¥8,327 million	¥13,203 million

(Shareholders' Equity)

For the six months ended February 28, 2023

1. Dividends paid

Not applicable.

2. Of dividends for which the record date is during the six months ended February 28, 2023, dividends with effective dates falling after the end of the second quarter of the fiscal year

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 14, 2023	Common stock	303	13.00	February 28, 2023	May 12, 2023	Retained earnings

For the six months ended February 29, 2024

1. Dividends paid

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders held on November 29, 2023	Common stock	583	25.00	August 31, 2023	November 30, 2023	Retained earnings

2. Of dividends for which the record date is during the six months ended February 29, 2024, dividends with effective dates falling after the end of the second quarter of the fiscal year

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 12, 2024	Common stock	472	20.00	February 29, 2024	May 10, 2024	Retained earnings

(Note) Total amount of dividends includes ¥6 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)."

(Segment Information, etc.)

[Segment Information]

I. For the six months ended February 28, 2023

1. Information about net sales and profit (loss) by reportable segment and information about revenue breakdown

(Millions of yen)

	Reportable segment			Adjustments	Consolidated (Note)
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Net sales:					
Revenue from contracts with customers	26,247	8,309	34,556	-	34,556
Sales to outside customer	26,247	8,309	34,556	-	34,556
Intersegment sales or transfers	344	5	349	(349)	-
Total	26,591	8,314	34,906	(349)	34,556
Segment profit	1,476	32	1,509	-	1,509

Note: Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. For the six months ended February 29, 2024

1. Information about net sales and profit (loss) by reportable segment and information about revenue breakdown

(Millions of yen)

	Reportable segment			Adjustments	Consolidated (Note)
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Net sales:					
Revenue from contracts with customers	28,938	9,079	38,018	-	38,018
Sales to outside customers	28,938	9,079	38,018	-	38,018
Intersegment sales or transfers	442	5	447	(447)	-
Total	29,380	9,085	38,466	(447)	38,018
Segment profit	2,406	157	2,563	-	2,563

Note: Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Revenue recognition)

Information about breakdown of revenue from contracts with customers is as stated in “Notes (Segment Information, etc.)”



(Per Share Information)

Basic and diluted earnings per share are calculated as follows:

Items	Six months ended February 28, 2023	Six months ended February 29, 2024
(1) Basic earnings per share	¥33.11	¥66.69
(Basis for calculation)		
Profit attributable to owners of parent (millions of yen)	772	1,556
Profit not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common stock (millions of yen)	772	1,556
Weighted-average number of shares of common stock outstanding during the year (shares)	23,340,159	23,340,091
(2) Diluted earnings per share	¥29.28	¥63.58
(Basis for calculation)		
Adjustments to profit attributable to owners of parent (millions of yen)	(26)	(3)
[of which, interest income (after tax effect)] (millions of yen)	[(26)]	[(3)]
Increase in number of shares of common stock (shares)	2,150,152	1,087,311
[of which, convertible bond-type bonds with share acquisition rights]	[2,150,152]	[1,087,311]
Summary of potential shares not included in calculation of diluted earnings per share due to lack of dilutive effect, which were subject to significant change from the end of the previous fiscal year	-	-

(Note) In the calculation of basic earnings per share, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)" are included in the treasury stock deducted in the calculation of the average number of shares during the period (100,000 shares for the six months ended February 29, 2024).

(Subsequent events)

Not applicable.

## 2. Others

Regarding the interim dividend for the 37th term (from September 1, 2023 to August 31, 2024), at the Board of Directors meeting held on April 12, 2024, it was resolved to pay an interim dividend to shareholders who were recorded in the shareholder registry as of February 29, 2024.

- 1) Total amount: ¥472 million
- 2) Per share amount: ¥20.00
- 3) Effective date of claim for payment and payment commencement date: May 10, 2024

(Note) Total amount of dividends includes ¥6 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)."

**Part II Information on Guarantor Companies, etc. for the Submitting Company**

Not applicable.