Note: This document is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

THE 37th ANNUAL GENERAL MEETING OF SHAREHOLDERS

OTHER MATTERS SUBJECT TO ELECTRONIC PROVISION MEASURES

(MATTERS OMITTED IN THE PAPER COPY FOR DELIVERY)

I. System and Policy of the Company
II. Notes to Consolidated Financial Statements
III. Non-consolidated Balance Sheets
IV. Non-consolidated Statements of Income
V. Non-consolidated Statements of Changes in Net Assets
VI. Notes to Non-consolidated Financial Statements
VII. Audit Reports Related to Non-Consolidated Financial Statements

(From September 1, 2023 to August 31, 2024)

JINS HOLDINGS Inc.

I. System and Policy of the Company

• System to Ensure the Appropriateness of Business

The Company has made a resolution regarding a system for ensuring that Directors perform their duties in compliance with applicable laws and the Articles of Incorporation and other systems for ensuring the appropriateness of the company's operations. The details are as follows:

1. System for ensuring that Directors and employees perform their duties in compliance with applicable laws and the Articles of Incorporation

In order for the Company to build trust and obtain high evaluation from the market, the Company will establish and maintain the necessary structure as set forth in each item based on the JINS Group Code of Ethical Conduct, which was established to ensure that all officers and employees of the Company, its subsidiaries and affiliates (hereinafter collectively referred to as the "JINS Group") proactively work to refine and improve their organizations and resolve issues from the perspective of ethics and compliance with laws.

(1) The Company shall establish a Compliance Group as a dedicated department for handling JINS Group's compliance-related issues within the Legal Section of the Administration Division.

(2) The Company shall establish a Risk Management Committee chaired by the General Manager of the Administration Division, at which each department periodically reports on compliance-related events and efforts. The chair of the Risk Management Committee shall regularly report on the content of the committee to the Governance Supervision Committee stipulated in 3. (2).

(3) The Company shall establish a compliance hotline within the Compliance Group as well as within an outside specialist organization as a structure for employees to report and consult directly. Reports to the compliance hotline shall be kept confidential and no disadvantageous treatment shall be given to the whistleblower.

(4) Based on internal rules, the Internal Audit Department shall periodically conduct internal audits on the overall status of operations; specifically, the status of compliance with laws and regulations, the Articles of Incorporation, and internal rules, as well as the appropriateness of procedures for executing duties and of business contents. The department shall then report the results of said audits to the CEO, Board of Directors, and the Board of Auditors.

(5) In the Guidelines for Code of Ethics, the Company shall declare its resolute response to anti-social forces which threaten social order, its disassociation with illegal acts and anti-social acts, and its prohibition of all benefits for anti-social forces. The Company shall work to eliminate all relationships with anti-social forces.

2. System for storing and managing information related to the execution of duties by Directors

The Company shall record, store, and manage information related to the execution of duties by Directors.

(1) In accordance with the "Document Management Regulations," the Company shall record, store, and manage information related to the execution of duties by Directors in documents or electromagnetic media (hereinafter, "Documents, etc.").

(2) The "Document Management Regulations" shall define the scope of documents to be stored, the storage

period, the storage location, and other elements of the system for storing and managing Documents, etc.

(3) Directors and Auditors shall be able to view these Documents, etc., at any time.

3. Regulations and other systems for managing the risk of loss

In accordance with the Risk Management Regulations, the Company shall establish basic policies and structure for managing business risks, and shall maintain, develop and improve its risk management systems in line with these regulations.

(1) The Company shall establish a Risk Management Group as a dedicated department tasked with managing risks within the Governance Supervision Department, Governance Promotion Section in the Governance Division.

(2) A Governance Supervision Committee, chaired by the CEO, shall be established to collect and examine information on the activities of each committee, and to discuss and decide on countermeasures. The secretariat of the Governance Supervision Committee shall regularly report on the committee's activities to the CEO, the Board of Directors, and the Board of Auditors.

(3) In order to ensure business continuity in the face of risks as shown below, the Company shall formulate the Management Risk Response Guidelines and develop a system to manage these risks.

   i. Risk of serious losses due to disasters and accidents such as earthquakes, floods, and fires

   ii. Risk of serious interference with production and sales activities due to improper execution of business by officers and employees

   iii. Risk of serious damage due to incorrect functioning of core IT systems

   iv. Other risks deemed as critical by the Board of Directors

4. System to ensure that Directors execute their duties efficiently

The Company shall develop, construct, and maintain a system to ensure that Directors execute their duties efficiently

(1) The Company will formulate a medium-term business plan and a single-year business plan in order to define a company-wide future vision in response to changes in the business environment.

(2) In order to achieve these plans, the Company shall clarify the authority and duties of Directors, and shall improve the efficiency of execution of duties.

(3) By implementing an executive officer system, the Company shall strive to strengthen the supervisory function of Directors through delegation of authority for executing certain business operations. Furthermore, a management committee, which consists of executive and other officers and is chaired by the CEO, shall be held under the Board of Directors. The management committee shall engage in advance deliberations for enhancing discussions at the Board of Directors. Also, within the extent of authority delegated by the Board of Directors, the management committee shall deliberate and make decisions on the execution of the Company’s business and implementation of measures.

5. System to ensure the appropriateness of business in the corporate group consisting of the Company and affiliates

The Company shall develop, construct, and maintain a system to ensure the appropriateness of business in the JINS Group.

(1) The Company has established the "Affiliates Management Regulations" and strives to grow and prosper the overall business of the Group. Accordingly, the Company shall develop and construct systems for efficient execution of business at its subsidiaries and affiliates (hereinafter collectively referred to as the "affiliates").

(2) In accordance with the "Affiliates Management Regulations," the person in charge and the supervisory department shall manage and provide guidance to the affiliates through prior consultation, reporting, and meetings.

(3) Affiliates with a high degree of importance for the Group's business performance give periodic reports on management results and other important matters, at a management liaison conference which is attended by the Company's full-time Directors, full-time Auditors, executive officers, and management team from the applicable affiliates.

(4) In the event of disasters and accidents, at the affiliates as stipulated in the "Management Risk Response Guidelines," the Company shall promptly establish a countermeasure headquarters and take necessary actions.

(5) The Company shall apply the "JINS Group Code of Ethical Conduct" and the "Guidelines for Code of Ethics" to all officers and employees of the JINS Group, and shall ensure that all applicable individuals are aware of the ethical codes.

(6) Internal Audit Department shall periodically audit the status of operations at the affiliates. However, if an agreement between the Company and affiliates contains provisions that differ from this policy, the provisions of that agreement shall take precedence.

6. Matters relating to employees in the event that an Auditor requests assignment of that employee for assistance in duties

If an Auditor requests the assignment of an employee for assisting in the operation of the Board of Auditors or in the execution of other duties (hereinafter, "Assistant to Corporate Auditor"), an Assistant to Corporate Auditor shall be promptly assigned after consulting with the Auditor.

7. Matters related to the independence of Assistant to Corporate Auditor from Directors and matters related to ensuring the effectiveness of instructions from Auditors

(1) Consent shall be obtained in advance from the Auditor in regards to the transfer or personnel evaluation of an Assistant to Corporate Auditor.

(2) An Assistant to Corporate Auditor who has received an order necessary for auditing work from an Auditor shall possess the authority to view documents, enter the audit site, etc., within the scope necessary to perform the duties of the Assistant to Corporate Auditor.

8. System for Directors, Executive Officers and other employees to report to Auditors and other systems related to reporting to Auditors

(1) Directors and Executive Officers shall periodically report the status for execution of their duties to

Auditors. In addition to legal matters, Directors shall immediately report to Auditors on the details of decisions that may have a significant impact on finance and business.

(2) An employee shall be able to report directly to Auditors in regards to facts, etc., that may cause significant damage to the Company.

(3) From among matters communicated to the whistleblowing contact point, the person in charge of the Compliance Hotline shall communicate with Auditors in regards to matters related to the duties of Directors.

(4) Auditors shall attend meetings of the Risk Management Committee.

9. System for Directors and employees of affiliates to report to Auditors

(1) Similar to the Directors and employees of the Company, the Directors, Auditors and employees of the affiliates shall promptly report to Auditors of the Company if any facts that have a significant impact on each company occur or are likely to occur.

(2) As necessary, Auditors of the Company shall be able to request reports on the contents of business execution from Directors and employees of the affiliates, and reports on the status of audits from Auditors of the affiliates. However, if an agreement between the Company and affiliates contains provisions that differ from this policy, the provisions of that agreement shall take precedence.

(3) The Company shall establish a system to ensure that persons who have reported to Auditors as stipulated in (8) and (9) do not incur unfavorable treatment at the Company or the affiliates because of the report.

10. Matters related to the procedures for prepaying or redeeming expenses arising from execution of duties by Auditors, as well as policies related to the processing of expenses or obligations arising from the performance of such duties

When an Auditor requests advance payment of expenses for the execution of duties per Article 388 of the Companies Act, the Company shall promptly process the request.

11. Other systems to ensure that audits by Auditors are conducted effectively

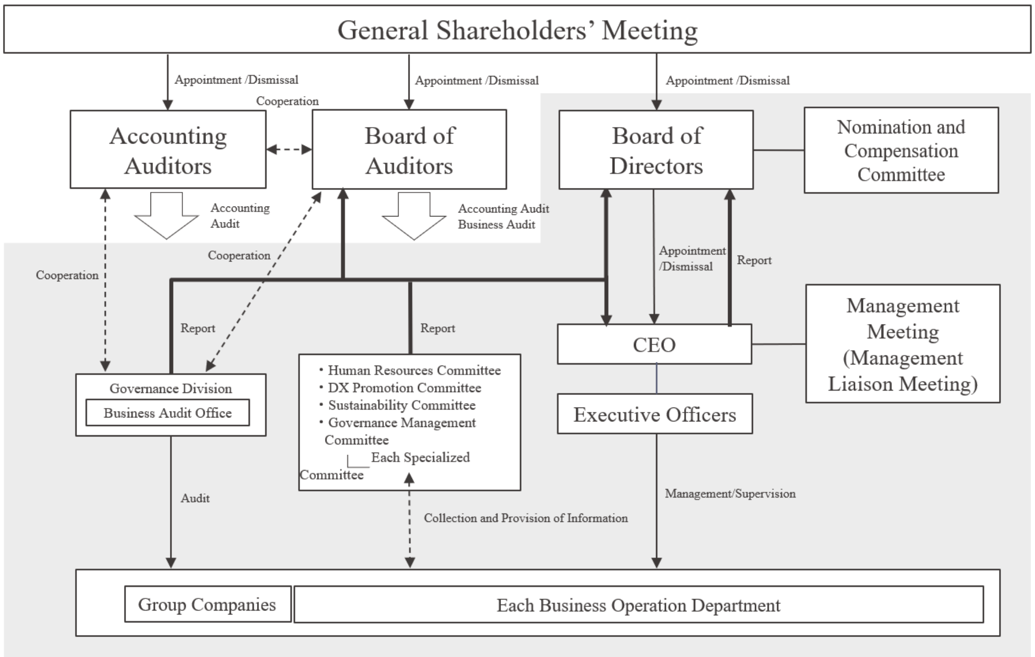
(1) Directors and employees of the Company and Directors, Auditors, and employees of the affiliates shall actively cooperate with audits by Auditors of the Company, report on the status of business operations, and disclose materials related to their duties. However, if an agreement between the Company and affiliates contains provisions that differ from this policy, the provisions of that agreement shall take precedence.

(2) Auditors shall periodically exchange opinions with the CEO in order to exchange information and confirm the status of business execution.

(3) Based on necessary consultation with Accounting Auditors, lawyers, or other external experts, Auditors shall propose important improvements to the Board of Directors.

12. System to ensure the reliability of financial reports

In order to ensure the reliability of financial reports and to effectively and appropriately submit internal control reports as stipulated in the Financial Instruments and Exchange Act, the Company shall act under the direction of the CEO to maintain and operate an internal control system for financial reports, and shall work to evaluate and improve said system.



• Outline of the Operational Status of the System to Ensure the Appropriateness of Business

A summary of the operational status of the system to ensure appropriateness of the Company’s business is as follows.

(1) Overall internal control system

In order to consolidate and centralize the information on the entire Group, the Company has the “Governance Supervision Committee,” which supervises special committees including Risk Management Committee, Information Security Committee, and Personal Information Committee. In addition, in order to ensure appropriateness of the entire Group’s business, the Company shares information and exchanges opinions with risk management committees of its subsidiaries, including those located overseas.

Regarding the overall status of development and operations of the internal control system, the Internal Audit Division continuously conducts monitoring for improvement and enhancement.

(2) Compliance

The Company has made efforts to raise compliance awareness of the entire Group through operations of the Risk Management Committee in Japan and overseas and promoted compliance training while working to identify and share information on compliance-related matters across the entire Group.

Also, the Company has enhanced the contact points for the Compliance Hotline at overseas subsidiaries, and strives to disseminate the Hotline system to all employees. In the case of whistleblowing, the Company has made proper responses in cooperation with each internal department and external experts, making timely reports to the Risk Management Committee.

(3) Risk management

The Risk Management Committee, Information Security Committee and Personal Information Committee periodically share information and exchange opinions with each subsidiary as well as review measures against various risks reported by the Company and its subsidiaries for prompt and proper responses.

(4) Internal audits

The Internal Audit Division and IT Governance Section conducts internal audits of the Group based on the basic audit plan.

• Basic Policies on the Control of the Company

At present, the Company has not yet defined a “basic policy” or “anti-takeover measures.”

II. Notes to Consolidated Financial Statements

1. Notes to important matters forming the basis of preparation of consolidated financial statements

(1) Scope of consolidation

(i) Status of consolidated subsidiaries

• Number of consolidated subsidiaries	9
• Name of consolidated subsidiaries	JINS Inc. Yamato Technical Co., Ltd. JINS SHANGHAI CO., LTD. JINS US Holdings, Inc. JINS Eyewear US, Inc. JINS CAYMAN Limited JINS ASIA HOLDINGS Limited JINS TAIWAN CO., LTD. JINS Hong Kong Limited
• Change in scope of consolidation	Yamato Technical Co., Ltd. has been included in the scope of consolidation since the fiscal year ended August 31, 2024, due to its increased significance. JINS SHENYANG CO., LTD., which was a consolidated subsidiary of the Company, was extinguished by an absorption-type merger with JINS SHANGHAI CO., LTD. as a surviving company during the fiscal year ended August 31, 2024. Think Lab.Inc. completed liquidation during the fiscal year ended August 31, 2024.

(ii) Status of unconsolidated subsidiaries

• Name of unconsolidated subsidiary	JINS norma CO., LTD.

• Reason for excluding from the scope of consolidation

An unconsolidated subsidiary which is a small-scale subsidiary is excluded from the scope of consolidation due to its immateriality in terms of total assets, revenue, profit (loss), and retained earnings in the consolidated financial statements.

(2) Equity method accounting

(i) Number of unconsolidated subsidiaries and affiliates accounted for using the equity method and names of major companies

There are no applicable companies.

From the fiscal year ended August 31, 2024, FITTINGBOX.S.A. has been excluded from the scope of application of the equity method because its equity ratio has decreased due to the issuance of new shares.

(ii) Status of unconsolidated subsidiaries and affiliates not accounted for using the equity method

• Name of the company JINS norma CO., LTD.

• Reason for not accounted for using the equity method

The unconsolidated subsidiary not accounted for using the equity method is excluded from the scope of application of the equity method due to its minor influence in terms of profit (loss) and retained earnings on the consolidated financial statements even if it is excluded from the scope, and its immateriality as a whole.

(3) Fiscal year-ends of consolidated subsidiaries

The Company's consolidated subsidiaries whose fiscal year-ends differ from the consolidated fiscal year-end are as follows:

Company name	Fiscal year-end	
JINS SHANGHAI CO., LTD.	December 31	(Note 1)
JINS US Holdings, Inc.	June 30	(Note 2)
JINS Eyewear US, Inc.	June 30	(Note 2)
JINS CAYMAN Limited	December 31	(Note 1)
JINS ASIA HOLDINGS Limited	December 31	(Note 1)
JINS TAIWAN CO., LTD.	June 30	(Note 2)
JINS Hong Kong Limited	December 31	(Note 1)

Notes: 1. These consolidated subsidiaries are consolidated using provisional financial statements prepared as of June 30 according to the full-year settlement, and necessary adjustments are made to their financial statements to reflect any significant transactions that occurred from July 1 to August 31.

2. These consolidated subsidiaries are consolidated using their financial statements as of their respective fiscal year-ends, and necessary adjustments are made to their financial statements to reflect any significant transactions that occurred from July 1 to August 31.

(4) Accounting policies

(i) Basis and method of valuation of important assets

a. Basis and method of valuation of securities

Available-for-sale securities

Securities other than shares, etc. that do not have a market price are measured at fair value based on the market price, etc. as of the fiscal year-end. (Any valuation differences are directly charged or credited to net assets and cost of securities sold is calculated by the moving average method.)

Shares, etc. that do not have a market price are measured at cost determined by the moving-average method.

b. Basis and method of valuation of inventories

Inventories

Inventories of the Company and its consolidated subsidiaries are stated at cost determined principally by the first-in first-out method (the balance sheet values are measured with the method of devaluing book value based on declining profitability).

(ii) Method of depreciation and amortization of important depreciable and amortizable assets

a. Property, plant and equipment (excluding leased assets)

Property, plant and equipment are depreciated principally using the straight line method.

The declining-balance method is used for tools, furniture and fixtures.

The range of useful lives is as follows:

Buildings	5 to 50 years
Structures	10 to 20 years
Tools, furniture and fixtures	2 to 15 years

b. Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight-line method.

Software for internal use is amortized using the straight-line method over the expected useful life in the Company (mainly five years).

c. Leased assets

Leased assets are amortized principally using the straight-line method based on the assumption that the useful lives are equivalent to the lease terms and the residual value is zero.

(iii) Basis for recording important provisions

a. Provision for bonuses

Provision for bonuses is recorded at an estimated amount attributable to the fiscal year to provide for future bonus payments to employees.

b. Provision for product warranties

To provide for the occurrence of replacement costs related to the warranty period of the products sold, provision for product warranties is recorded at an amount projected to be incurred in the future, based on the past warranty replacement results.

c. Provision for stock benefits

In order to prepare for the future provision of the Company's shares to employees based on the stock benefit regulations, the Company has recorded an amount based on the estimated provision of shares corresponding to the points allocated to employees.

d. Provision for business structure reform expenses

In order to prepare for expenses and losses that may arise as a result of business structure reforms, the estimated amount of expenses and losses is recorded.

(iv) Basis for recording revenue and expenses

The main business of the Group is eyewear retailing. In the sales of a product, a customer obtains control over the product when the product is delivered to the customer, and our performance obligations are satisfied. We therefore recognize revenue when the product is delivered to a customer. Revenue is measured at an amount of consideration promised in the contract with a customer, less the amount of returns, discounts, and other. Amounts equivalent to points granted to customers in accordance with the sale of products based on points programs operated by other companies are subtracted in the calculation of the transaction price and revenue is recognized in net amount, deeming that the points are collected on behalf of third parties.

(v) Other important matters for preparing consolidated financial statements

Basis for converting important foreign currency-denominated assets and liabilities into Japanese yen

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate as of the balance sheet date. The foreign exchange gains and losses from such translation are recognized in the consolidated statements of income.

2. Notes to Changes in Presentation Method

Consolidated statement of income

“Loss on valuation of investment securities,” which was included in “Other” under “Extraordinary losses” in the previous consolidated fiscal year, is now listed independently starting from the consolidated fiscal year ended August 31, 2024, due to its increased financial significance.

The amount of “Loss on valuation of investment securities” in the previous consolidated fiscal year was 4 million yen.

3. Notes to Accounting Estimates

(1) Recoverability of deferred tax assets

(i) Amount recorded in the consolidated financial statements for fiscal year ended August 31, 2024

Deferred tax assets	¥1,394 million

(ii) Other information regarding accounting estimates that contributes to the understanding of users of the consolidated financial statements

Deferred tax assets are recorded to the extent that the future tax payment is reduced for deductible temporary differences and tax loss carryforwards as of the end of the fiscal year ended August 31, 2024, based on classification of companies under the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26).

For recording deferred tax assets, the Company estimates taxable income before adjusting temporary differences based on business plans. Also, the Company uses business plans for calculating estimated taxable income and the key assumption in the business plan includes revenue growth rates. Revenue growth rates are determined based on historical performance at each store and in consideration of the market environment and industry trends.

The Group judges the key assumption in business plans that is the basis for estimating taxable income to be the best estimates based on available information.

(2) Impairment loss of non-current assets

(i) Amount recorded in the consolidated financial statements for the fiscal year ended August 31, 2024

(Unit: Millions of Yen)

	Domestic eyewear business	Overseas eyewear business	Total
Property, plant and equipment	9,267	1,542	10,809
Intangible assets	573	320	893
Impairment loss	190	457	648

(ii) Other information concerning accounting estimates that contributes to the understanding of users of the consolidated financial statements

In recognizing impairment loss, the Group groups its assets using operating stores and other minimum largely independent cash-generating units as the basic unit, and groups the head office and other offices as corporate assets.

For stores showing signs of impairment, the book value and recoverable amounts are compared. When determining that an impairment loss be recognized, the Group records an impairment loss by writing down the book value to the recoverable amounts. The recoverable amounts are measured at their value in use or net selling prices, whichever is higher. Future undiscounted cash flows for calculating the value in use is based on the business plans of each store.

The key assumption in future business plans of the stores includes revenue growth rates. Revenue growth rates are determined based on historical performance at each store and in consideration of the market environment and industry trends.

The Group judges the key assumption used for calculating future cash flows to be the best estimates based on available information.

4. Additional information

(Transactions in which shares of the company are delivered to employees through a trust)

At a meeting of the Board of Directors held on January 12, 2024, the Company resolved to introduce an incentive program, the “Stock Granting Trust (J-ESOP)” (hereafter referred to as the “Program,” and the trust established based on the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. regarding this Program is referred to as the “Trust”), to provide the Company's and its subsidiaries' employees (the “Employees”) with the Company's stock in order to raise the correlation between the Company's stock price and performance and the treatment of employees, and to share economic benefits with shareholders, thereby raising the motivation and morale of employees to improve the stock price and performance. Through this Trust, the Company conducts transactions to deliver the Company's shares to employees.

5. Notes to Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment ¥16,475 million

(2) Contingent liabilities

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.

Guarantee of obligations to refund deposits	¥227 million

6. Notes to Consolidated Statements of Changes in Net Assets

(1) Information on shares issued

Class of shares	September 1, 2023	Increase	Decrease	August 31, 2024
Common stock	23,980,000 shares	- shares	- shares	23,980,000 shares

(2) Information on treasury stock

Class of shares	September 1, 2023	Increase	Decrease	August 31, 2024
Common stock	639,866 shares	300,198 shares	300,000 shares	640,064 shares

(Notes)
1. The number of treasury stock of common stock at the end of the consolidated fiscal year ended August 31, 2024, includes 300,000 shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Stock Granting Trust (J-ESOP).
2. The increase of 300,198 shares in treasury stock of common stock is due to the contribution of 300,000 shares to the Stock Granting Trust (J-ESOP) and an increase of 198 shares due to the purchase of shares less than one unit.
3. The decrease of 300,000 shares in treasury stock of common stock is due to the disposal of 300,000 shares of treasury stock.

(3) Information on dividends

(i) Dividends paid

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on November 29, 2023	Common stock	583	25.00	August 31, 2023	November 30, 2023
Board of Directors meeting held on April 12, 2024	Common stock	472	20.00	February 29, 2024	May 10, 2024

(Note) The total amount of dividends resolved on April 12, 2024, includes dividends of 6 million yen on the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the "Stock Granting Trust (J-ESOP)."

(ii) Dividends with effective dates falling after the end of the year

Resolution	Class of shares	Source of dividends	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on November 28, 2024	Common stock	Retained earnings	969	41.00	August 31, 2024	November 29, 2024

(Note) The total amount of dividends to be resolved on November 28, 2024, includes dividends of 12 million yen on the

Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the "Stock Granting Trust (J-ESOP)."

(4) Information on share acquisition rights as of August 31, 2024

	Share acquisition rights attached to the euro yen denominated convertible bond-type bonds with share acquisition rights due 2025
Issue resolution date	February 12, 2020
Class of shares granted	Common stock
Number of subject shares	1,087,311 shares

7. Notes to Financial Instruments

(1) Status of financial instruments

The Group carries out fund management by investing in highly secure financial assets such as deposits, and in principle, raises required funds primarily through equity capital based on its capital investment plan. In addition, the Group uses bank loans and lease contracts as necessary.

Accounts receivable - trade are exposed to customer credit risk.

Investment securities are the stocks of companies with which the Group has business relationships, and are exposed to market price fluctuation risk.

Leasehold and guarantee deposits based on lease agreements for stores, etc. are exposed to counterparty credit risk.

Payment terms of almost all accounts payable—trade, accounts payable—other, and accrued expenses are within two months.

Income taxes payable are unpaid corporate taxes, local inhabitant taxes and enterprise taxes, almost all of which are due within three months.

Convertible bond-type bonds with share acquisition rights are issued mainly to raise funds for investments for further expanding the eyewear business, developing new business and ensuring sustainable growth. The bonds are exposed to liquidity risk (risk of inability to meet payment deadlines), which the Group manages by preparing and updating cash flow plans in a timely manner.

Borrowings and lease obligations are incurred for raising funds needed as working capital and capital investments.

(2) Fair value of financial instruments

The book value and fair value of financial instruments and their difference as of August 31, 2024 were as follows:

(Millions of Yen)

		Book value	Fair value	Difference
(i)	Investment securities			
	Available-for-sale securities	97	97	–
(ii)	Leasehold and guarantee deposits (Note 2)	3,337	3,103	(233)
	Total assets	3,434	3,200	(233)
(iii)	Convertible bond-type bonds with share acquisition rights	10,005	9,913	(91)
(iv)	Long-term borrowings	45	46	0
(v)	Lease obligations	415	425	9
	Total liabilities	10,466	10,384	(81)

(Notes) 1: "Cash and deposits," "Accounts receivable – trade," "Accounts payable—trade," "Short-term borrowings," "Accounts payable—other, and accrued expenses," and "Income taxes payable" are omitted, because they comprise cash and short-term instruments whose carrying amount approximates their fair value.

2: The differences between the amounts of leasehold and guarantee deposits recorded in the consolidated balance sheets and the book value above are unamortized balances of the amounts recognized to be ultimately irrecoverable, namely, estimated restoration costs for leased buildings, at the end of the year.

3: Shares, etc. that do not have a market price are not included in "Available-for-sale securities."

(Millions of Yen)

Category	Fiscal year ended August 31, 2024
Unlisted shares, etc.	855

(3) Fair value information by category within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(i) Financial instruments recorded on the consolidated balance sheets at fair value

(Millions of Yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	97	–	–	97
Total assets	97	–	–	97

(ii) Financial instruments other than those recorded on the consolidated balance sheets at fair value

(Millions of Yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Leasehold and guarantee deposits	–	3,103	–	3,103
Total assets	–	3,103	–	3,103
Convertible bond-type bonds with share acquisition rights	–	9,913	–	9,913
Long-term borrowings	–	46	–	46
Lease obligations	–	425	–	425
Total liabilities	–	10,384	–	10,384

Note: A description of the valuation technique(s) and inputs used in the fair value measurements

Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Leasehold and guarantee deposits

Leasehold and guarantee deposits are stated at present value calculated by discounting future cash flows using interest rates derived by adding credit spreads to yields of government bonds, for each specified period, and their fair value is classified as Level 2.

Convertible bond-type bonds with share acquisition rights

Convertible bond-type bonds with share acquisition rights are stated based on market prices, but as they are not traded in active markets, their fair value is classified as Level 2.

Long-term borrowings (including current portion) and lease obligations (including current portion)

Fair value of long-term borrowings and lease obligations are calculated by discounting the total amount of principal and interests using expected interest rates if the similar new borrowings or lease transactions took place at present, and their fair value is classified as Level 2.

8. Notes to Real Estate for Rent

Omitted due to immateriality of the total amount of real estate for rent.

9. Notes to Revenue Recognition

(1) Information on the disaggregation of revenue from contracts with customers

(Millions of Yen)

	Reportable segment		
	Domestic eyewear business	Overseas eyewear business	Total
Net sales			
Revenue from contracts with customers	64,293	18,705	82,999
Sales to outside customers	64,293	18,705	82,999

(2) Useful information in understanding revenue

This information is as presented in Notes to Consolidated Financial Statements “Notes to important matters forming the basis of preparation of consolidated financial statements (4) Accounting policies (iv) Basis for recording revenue and expenses.”

(3) Useful information in understanding the amount of revenue for the fiscal year ended August 31, 2024 and beyond the following fiscal year

(i) Balance of contract liabilities, etc.

(Millions of Yen)

	Fiscal year ended August 31, 2024
Contract liabilities (beginning balance)	514
Contract liabilities (ending balance)	636

Contract liabilities are mainly related to advances received from customers based on the payment terms of sales contracts for eyewear and other products for which revenue is recognized at the time of delivery to customers. Contract liabilities are reversed upon recognition of revenue.

Revenue recognized in the fiscal year ended August 31, 2024 that was included in the contract liability balance at the beginning of the fiscal year was ¥514 million.

(ii) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient and omits notes to the remaining performance obligations as there is no significant transaction whose contracts are with an expected duration of over one year.

Consideration promised in contracts with customers does not have any significant amounts of consideration not included in the transaction price.

10. Notes to Per Share Information

(1) Net assets per share ¥1.096.57

(2) Basic earnings per share ¥200.17

(Note) The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the "Stock Granting Trust (J-ESOP)" are included in the treasury stock deducted from the calculation of the average number of shares during the period for the calculation of net income per share.

11. Notes to Subsequent Events

Not applicable.

12. Other Notes

(1) Overdraft agreements

The Company and certain consolidated subsidiaries entered into overdraft agreements with five counterparty banks to efficiently procure working capital.

The outstanding borrowings and the unused balances under these agreements as of August 31, 2024 were as follows:

(i) Yen-denominated transactions

Total amount of overdraft limit	¥10,800 million
Outstanding borrowings	-
Unused balance	¥10,800 million

(ii) Foreign currency-denominated transactions

Chinese Yuan

Total amount of overdraft limit	¥2,448 million	(CNY 120 million)
Outstanding borrowings	¥1,444 million	(CNY 70 million)
Unused balance	¥1,003 million	(CNY 49 million)

HK Dollar

Total amount of overdraft limit	¥278 million	(HKD 15 million)
Outstanding borrowings	¥204 million	(HKD 11 million)
Unused balance	¥74 million	(HKD 4 million)

New Taiwan Dollar

Total amount of overdraft limit	¥59 million	(NTD 13 million)
Outstanding borrowings	-	(-)
Unused balance	¥59 million	(NTD 13 million)

(2) Loan commitment agreements

On August 26, 2022, the Company entered into loan commitment agreements with counterparty banks to procure working capital flexibly and stably.

The outstanding borrowings and the unused balances under these agreements as of August 31, 2024 were as follows:

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

(3) Financial covenants

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.

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 at the year-end	-
Unused balance	¥4,000 million

Financial covenants on the loan commitment agreements above

(i) 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.

(ii) 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.

(4) Asset retirement obligations

Asset retirement obligations which are recorded in the consolidated balance sheets

(i) Outline of asset retirement obligations

Asset retirement obligations with respect to restoration costs based on lease agreements for stores and other properties

(ii) Calculation method of asset retirement obligations

The Group calculates the present value of asset retirement obligations by discounting them over the estimated usage period primarily of 20 years since acquisition mainly using the yields of the corresponding government bonds.

(iii) Changes in asset retirement obligations in the fiscal year ended August 31, 2024

Balance at the beginning of the year	¥1,070 million
Increase due to acquisition of property, plant and equipment, etc.	¥100 million
Unwind of discounts	¥12 million
Decrease due to settlement of asset retirement obligations	¥(15 million)
Balance at the end of the year	¥1,166 million

(5) Impairment loss

The Group recorded impairment loss for the following asset groups for the fiscal year ended August 31, 2024:

Usage	Type of asset	Location	Impairment loss
Stores, etc.	Buildings and other assets	Japan	¥190 million
Stores	Buildings and other assets	China	¥283 million
Stores	Buildings and other assets	Hong Kong	¥114 million
Stores	Buildings and other assets	Taiwan	¥33 million
Stores	Furniture, fixtures and others	United States	¥26 million
Total			¥648 million

The Group groups its assets using stores and other minimum cash-generating units as the basic unit, and groups the head office and other offices as corporate assets.

The Group wrote down the book value of stores showing signs of a decline in profitability or were decided to close to their recoverable amounts and recorded the reductions as impairment loss (¥648 million) in extraordinary losses. The recoverable amounts of these assets were measured at the value in use or their net selling prices whichever is higher.

The details of impairment loss were as follows:

Buildings and structures	¥410 million
Other	¥238 million
Total	¥648 million

(6) Provision of allowance for business structure reform expenses

The amount of expenses and losses incurred as a result of the business structure reform of the China business has been recorded as a provision for reserves (¥61 million).

III. Non-consolidated balance sheets (as of August 31, 2024)

(Millions of yen)

Account	Fiscal year under review	Previous fiscal year (Reference)
(Assets)		
Current assets	10,138	7,228
Cash and deposits	6,632	4,000
Prepaid expenses	164	155
Short-term loans receivable from subsidiaries and associates	3,430	2,600
Accounts receivable from subsidiaries and associates - other	466	760
Other	146	161
Allowance for doubtful accounts	(702)	(449)
Non-current assets	10,597	13,058
Property, plant and equipment	324	252
Buildings	282	225
Structures	1	2
Tools, furniture and fixtures	36	13
Construction in progress	3	12
Intangible assets	1,644	981
Software	1,085	864
Software in progress	559	116
Investments and other assets	8,628	11,824
Investment securities	862	851
Shares of subsidiaries and associates	1,893	3,573
Long-term loans receivable from subsidiaries and associates	4,909	6,380
Deferred tax assets	739	816
Leasehold and guarantee deposits	213	199
Other	10	2
Total assets	20,735	20,286

Account	Fiscal year under review	Previous fiscal year (Reference)
(Liabilities)		
Current liabilities	11,173	1,022
Current portion of convertible bond-type bonds with share acquisition rights	10,005	–
Current portion of long-term borrowings	–	11
Accounts payable – other	996	870
Accrued expenses	93	90
Income taxes payable	19	–
Accrued consumption taxes	–	19
Provision for bonuses	31	10
Other	27	19
Non-current liabilities	410	10,252
Convertible bond-type bonds with share acquisition rights	–	10,015
Provision for share awards	51	–
Long-term accounts payable – other	344	228
Other	15	9
Total liabilities	11,583	11,275
(Net assets)		
Shareholders' equity	9,074	8,917
Common stock	3,202	3,202
Capital surplus	3,157	3,179
Legal capital surplus	3,157	3,157
Other capital surplus	–	22
Retained earnings	6,755	7,538
Legal retained earnings	8	8
Other retained earnings	6,747	7,530
General reserve	60	60
Retained earnings brought forward	6,687	7,470
Treasury stock	(4,041)	(5,003)
Valuation and translation adjustments	77	93
Valuation difference on available-for-sale securities	77	93
Total net assets	9,152	9,011
Total liabilities and net assets	20,735	20,286

(Note) Amounts of less than one million yen are rounded down.

IV. Non-consolidated Statements of Income (September 1, 2023 to August 31, 2024)

(Millions of yen)

Account	Fiscal year under review	Previous fiscal year (Reference)
Operating revenue	7,139	4,874
Operating expenses	4,073	4,183
Operating profit	3,065	690
Non-operating income	133	162
Interest income	128	129
Foreign exchange gains	–	25
Other	4	7
Non-operating expenses	750	79
Interest expenses	5	5
Foreign exchange losses	31	–
Commission expenses	3	2
Loss on investments in partnership	7	8
Provision of allowance for doubtful accounts	702	64
Other	0	0
Ordinary profit	2,448	773
Extraordinary income	516	–
Gain on sale of investment securities	516	–
Extraordinary losses	1,649	1,517
Loss on retirement of non-current assets	0	6
Loss on valuation of shares of subsidiaries and associates	1,619	1,506
Other	29	4
Profit (loss) before income taxes	1,316	(743)
Income taxes – current	18	31
Income taxes – deferred	84	35
Profit (loss)	1,214	(811)

(Note) Amounts of less than one million yen are rounded down.

V. Non-consolidated Statements of Changes in Net Assets (Year Ended August 31, 2024)

(Unit Millions of Yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
BALANCE, SEPTEMBER 1, 2023	3,202	3,157	22	3,179	8	60	7,470	7,538
Changes during period								
Dividends of surplus							(1,056)	(1,056)
Profit							1,214	1,214
Purchase of treasury stock								
Disposal of treasury stock for Stock Granting Trust			(962)	(962)				
Purchase of treasury stock for Stock Granting Trust								
Transfer of loss on disposal of treasury stock			940	940			(940)	(940)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(22)	(22)	-	-	(782)	(782)
BALANCE, AUGUST 31, 2024	3,202	3,157	-	3,157	8	60	6,687	6,755

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
BALANCE, SEPTEMBER 1, 2023	(5,003)	8,917	93	93	9,011
Changes during period					
Dividends of surplus		(1,056)			(1,056)
Profit		1,214			1,214
Purchase of treasury stock	(0)	(0)			(0)
Disposal of treasury stock for Stock Granting Trust	2,345	1,383			1,383
Purchase of treasury stock for Stock Granting Trust	(1,383)	(1,383)			(1,383)
Transfer of loss on disposal of treasury stock		-			-
Net changes in items other than shareholders' equity			(16)	(16)	(16)
Total changes during period	961	156	(16)	(16)	140
BALANCE, AUGUST 31, 2024	(4,041)	9,074	77	77	9,152

Note: Figures are rounded down to the million yen.

VI. Notes to Non-consolidated Financial Statements

1. Notes to matters regarding important accounting policies

(1) Basis and method of valuation of assets

Basis and method of valuation of securities

• Shares in subsidiaries and affiliates

Shares in subsidiaries and affiliates are measured at cost determined by the moving-average method.

• Available-for-sale securities

Securities other than shares, etc. that do not have a market price are measured at fair value based on the market price, etc. as of the fiscal year-end. (Any valuation differences are directly charged or credited to net assets and cost of securities sold is calculated by the moving average method.)

Shares, etc. that do not have a market price are measured at cost determined by the moving-average method.

(2) Method of depreciation and amortization of non-current assets

(i) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are depreciated principally using the straight line method.

The declining-balance method is used for tools, furniture and fixtures.

The range of useful lives is as follows:

Buildings	10 to 50 years
Tools, furniture and fixtures	2 to 15 years

(ii) Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight-line method.

Software for internal use is amortized using the straight-line method over the expected useful life in the Company (five years).

(iii) Leased assets

Leased assets are amortized using the straight-line method based on the assumption that the useful lives are equivalent to the lease terms and the residual value is zero.

(3) Basis for recording provisions

(i) Allowance for doubtful accounts

Allowance for doubtful accounts is provided for possible losses arising from bad debts at an amount determined based on the historical default rates for general receivables, and an individual estimate of uncollectible amounts for specific doubtful receivables from customers experiencing financial difficulties.

(ii) Provision for bonuses

Provision for bonuses is recorded at an estimated amount attributable to the fiscal year to provide for future bonus payments to employees.

(iii) Provision for stock benefits

In order to prepare for the future provision of the Company's shares to employees based on the stock benefit regulations, the Company has recorded an amount based on the estimated provision of shares corresponding to the points allocated to employees.

(4) Basis for recording revenue and expenses

As a holding company, the Company is engaged in the supervision of the business subsidiaries within the Group. The Company collects and receives from subsidiaries mainly management instruction fee, system usage fee and real estate rent fee based on contracts with them, and as its performance obligations are satisfied when the Company provides supervision of the business subsidiaries within the Group, the Company recognizes revenue as it provides the supervision.

(5) Other important matters forming the basis of preparation of financial statements

Basis for converting important foreign currency-denominated assets and liabilities into Japanese yen

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate as of the balance sheet date. The foreign exchange gains and losses from such translation are recognized in the consolidated statements of income.

2. Notes to Accounting Estimates

Recoverability of deferred tax assets

(1) Amount recorded in the financial statements for the fiscal year ended August 31, 2024

Deferred tax assets	¥739 million

(2) Other information regarding accounting estimates that contributes to the understanding of users of the non-consolidated financial statements

A description is omitted as the same content is described in Notes to Consolidated Financial Statements (Notes to Accounting Estimates) (Recoverability of deferred tax assets) of the consolidated financial statements.

3. Additional Information

(Transactions in which shares of the company are delivered to employees through a trust)

At a meeting of the Board of Directors held on January 12, 2024, the Company resolved to introduce an incentive program, the “Stock Granting Trust (J-ESOP)” (hereafter referred to as the “Program,” and the trust established based on the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. regarding this Program is referred to as the “Trust”), to provide the Company's and its subsidiaries' employees (the “Employees”) with the Company's stock in order to raise the correlation between the Company's stock price and performance and the treatment of employees, and to share economic benefits with shareholders, thereby raising the motivation and morale of employees to improve the stock price and performance. Through this Trust, the Company conducts transactions to deliver the Company's shares to employees.

4. Notes to Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment ¥204 million

(2) Monetary claims and obligations to affiliates are as follows:

(i) Short-term monetary claims	¥4,014 million
(ii) Long-term monetary claims	¥4,909 million
(iii) Short-term monetary obligations	¥41 million

(3) Contingent liabilities

The Company guarantees liabilities on loans from financial institutions and lease transactions for affiliates.

JINS SHANGHAI CO., LTD.	¥1,831 million
JINS Hong Kong Limited	¥323 million
JINS Eyewear US, Inc.	¥34 million
Yamato Technical Co., Ltd.	¥14 million
JINS TAIWAN CO., LTD.	¥9 million
Total	¥2,213 million

5. Notes to Non-consolidated Statements of Income

Amount of transactions with affiliates

Operating revenue	¥7,139 million
Operating expenses	¥45 million
Transactions other than business transactions	¥117 million

6. Notes to Non-consolidated Statements of Changes in Net Assets

Information on treasury stock

Class of shares	September 1, 2023	Increase	Decrease	August 31, 2024
Common stock (Note)	639,866 shares	300,198 shares	300,000 shares	640,064 shares

(Notes) 1. The number of treasury stock of common stock at the end of the fiscal year ended August 31, 2024, includes 300,000 shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Stock Granting Trust (J-ESOP).

2. The increase of 300,198 shares in treasury stock of common stock is due to the contribution of 300,000 shares to the Stock Granting Trust (J-ESOP) and an increase of 198 shares due to the purchase of shares less than one unit.

3. The decrease of 300,000 shares in treasury stock of common stock is due to the disposal of 300,000 shares of treasury stock.

7. Notes to Tax Effect Accounting

(1) The significant components of deferred tax assets and liabilities

Deferred tax assets	
Allowance for doubtful accounts	¥207 million
Loss on valuation of shares of subsidiaries and associates	¥2,395 million
Shares of subsidiaries and associates	¥297 million
Tax loss carryforwards	¥421 million
Other	¥352 million
Subtotal	¥3,674 million
Valuation allowance	¥(2,914 million)
Total deferred tax assets	¥760 million
Deferred tax liabilities	
Valuation difference on available-for-sale securities	¥(17 million)
Other	¥(3 million)
Total deferred tax liabilities	¥(21 million)
Net deferred tax assets	¥739 million

(2) Accounting for corporate taxes and local corporate taxes, and related tax effect accounting

The Company has been applying the unconsolidated tax payment system, but it applied for approval to use the group tax sharing system by the end of the current fiscal year and, following approval, will apply the group tax sharing system from the following fiscal year.

Furthermore, from the end of the current fiscal year, the accounting treatment and disclosure of tax effect accounting for corporate tax and local corporate tax are based on "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Solution No. 42, August 12, 2021).

8. Notes to Transactions with Related Parties

(1) Subsidiaries and affiliates

Type	Name of the company, etc.	Percentage of voting rights owned	Relationship with related parties	Transaction details	Transaction amount (Millions of Yen)	Account	Closing balance (Millions of Yen)
Subsidiary	JINS Inc.	(Owned) Directly 100.00%	Concurrently serving officers, support of funds, etc.	Collection of funds (Note 1)	1,480	Short-term loans receivable from subsidiaries and associates	1,480
						Long-term loans receivable from subsidiaries and associates	4,440
				Receipt of interest (Note 1)	45		
				Receipt of outsourcing service fees, etc. (Note 2)	4,104	Accounts receivable from subsidiaries and associates - other	442
Subsidiary	JINS SHANGHAI CO., LTD.	(Owned) Indirectly 100.00%	Concurrently serving officers, support of funds, etc.	Guarantee of liabilities (Note 3)	1,831	-	–
				Receipt of interest (Note 1)	24	Long-term loans receivable from subsidiaries and associates	469
Subsidiary	JINS Eyewear US, Inc.	(Owned) Indirectly 100.00%	Support of funds, etc.	Loan of funds (Note 1)	1,188	Short-term loans receivable from subsidiaries and associates	1,520
				Receipt of interest (Note 1)	44		
				Provision of allowance for doubtful accounts	426	Allowance for doubtful accounts	426
Subsidiary	JINS Hong Kong Limited	(Owned) Indirectly 100.00%	Guarantee of liabilities	Guarantee of liabilities (Note 3)	323	-	–

Subsidiary	Yamato Technical Co., Ltd.	(Owned) Directly 100.00%	Concurrently serving officers, support of funds, etc.	Loan of funds (Note 1)	150	Short-term loans receivable from subsidiaries and associates	430
				Receipt of interest (Note 1)	2		
				Provision of allowance for doubtful accounts	275	Allowance for doubtful accounts	275

Transaction conditions and policy for determining transaction conditions, etc.

Notes: 1. Conditions of loan of funds are determined in consideration of market interest rates and other factors.

2. Outsourcing service fees, etc., are reasonably determined in consideration of expenses for service provision, etc.

3. A joint guarantee is provided for lease transactions, etc.

(2) Officers and major individual shareholders, etc.

Type	Name of the company, etc.	Percentage of voting rights owned	Relationship with related parties	Transaction details	Transaction amount (Millions of Yen)	Account	Closing balance (Millions of Yen)
Company in which the majority of voting rights are held by officers and their close relatives	MARS G.K. (Note 1)	(Owned) Directly 5.08%	Office rental, etc.	Payment of rent, etc. (Note 2)	12	Leasehold and guarantee deposits	8
						Prepaid expenses	2

Transaction conditions and policy for determining transaction conditions, etc.

Notes: 1. Hitoshi Tanaka, an officer of the Company, serves as the representative partner.

2. Rent and other fees are set in accordance with general market conditions.

9. Notes to Revenue Recognition

Useful information in understanding revenue from contracts with customers is as presented in Notes to Non-consolidated Financial Statements “Notes to matters regarding important accounting policies (4) Basis for recording revenue and expenses.”

10. Notes to Per Share Information

(1) Net assets per share ¥392.12

(2) Basic earnings per share ¥52.02

(Note) The Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the “Stock Granting Trust (J-ESOP)” are included in the treasury stock deducted from the calculation of the average number of shares during the period for the calculation of net income per share.

11. Notes to Subsequent Events

Not applicable.

12. Other Notes

(1) Overdraft agreements

The Company entered into overdraft agreements with five counterparty banks to efficiently procure working capital.

The outstanding borrowings and the unused balances under these agreements as of August 31, 2024 were as follows:

Total amount of overdraft limit	¥10,800 million
Outstanding borrowings	-
Unused balance	¥10,800 million

(2) Loan commitment agreements

On August 26, 2022, the Company entered into loan commitment agreements with counterparty banks to procure working capital flexibly and stably.

The outstanding borrowings and the unused balances under these agreements as of August 31, 2024 were as follows:

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

(3) Financial covenants

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.

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 at the year-end	-
Unused balance	¥4,000 million

Financial covenants on the loan commitment agreements above

(i) 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.

(ii) 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.