Annual Securities Report

(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]

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[Article of the applicable law requiring submission of this document]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed to]	Director-General of the Kanto Local Finance Bureau
[Filing date]	November 28, 2024
[Fiscal year]	37th term (from September 1, 2023 to August 31, 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.)
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[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

(1) Key financial data of the Group

Term		33rd term	34th term	35th term	36th term	37th term
Fiscal year ended		August 31, 2020	August 31, 2021	August 31, 2022	August 31, 2023	August 31, 2024
Net sales	(Millions of yen)	60,258	63,898	66,901	73,264	82,999
Ordinary profit	(Millions of yen)	5,827	5,020	3,789	3,739	7,735
Profit attributable to owners of parent	(Millions of yen)	1,687	3,292	750	1,762	4,671
Comprehensive income	(Millions of yen)	1,542	3,623	1,063	1,676	4,815
Net assets	(Millions of yen)	17,763	20,219	20,406	21,779	25,593
Total assets	(Millions of yen)	53,392	53,007	54,721	44,863	54,045
Net assets per share	(yen)	761.05	866.29	874.33	933.14	1,096.57
Earnings per share	(yen)	71.49	141.07	32.17	75.50	200.17
Diluted earnings per share	(yen)	67.40	127.35	27.37	69.42	190.97
Equity ratio	(%)	33.3	38.1	37.3	48.5	47.4
Rate of return on equity	(%)	8.4	17.3	3.7	8.4	19.7
Price-earnings ratio	(times)	102.40	50.90	132.56	45.57	25.98
Net cash provided by (used in) operating activities	(Millions of yen)	7,749	5,058	4,391	6,054	10,989
Net cash provided by (used in) investing activities	(Millions of yen)	(3,878)	(3,175)	(3,853)	(3,849)	(2,385)
Net cash provided by (used in) financing activities	(Millions of yen)	12,438	(3,758)	(2,769)	(11,502)	(2,335)
Cash and cash equivalents at the end of period	(Millions of yen)	24,667	23,206	21,430	12,202	18,673
Number of employees [In addition, average number of temporary employees]	(persons)	3,707 [1,251]	3,641 [1,205]	3,599 [1,434]	3,486 [1,628]	3,485 [1,698]

(Note) The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 35th term. The key financial data for the 35th term onward reflect the application of the said accounting standard, etc.

(2) Key financial data of the reporting company

Term		33rd term	34th term	35th term	36th term	37th term
Fiscal year ended		August 31, 2020	August 31, 2021	August 31, 2022	August 31, 2023	August 31, 2024
Net sales and operating revenue	(Millions of yen)	3,761	4,037	4,462	4,874	7,139
Ordinary profit (loss)	(Millions of yen)	(1,792)	(559)	989	773	2,448
Profit (loss)	(Millions of yen)	(1,844)	(227)	(1,349)	(811)	1,214
Share capital	(Millions of yen)	3,202	3,202	3,202	3,202	3,202
Total number of issued shares	(shares)	23,980,000	23,980,000	23,980,000	23,980,000	23,980,000
Net assets	(Millions of yen)	13,640	12,245	10,221	9,011	9,152
Total assets	(Millions of yen)	36,784	34,202	32,444	20,286	20,735
Net assets per share	(yen)	584.40	524.65	437.94	386.09	392.12
Dividends per share [Interim dividend per share]	(yen)	25.00 (-)	45.00 (25.00)	17.00 (17.00)	38.00 (13.00)	61.00 (20.00)
Earnings (loss) per share	(yen)	(78.14)	(9.74)	(57.82)	(34.75)	52.02
Diluted earnings per share	(yen)	-	-	-	-	49.42
Equity ratio	(%)	37.1	35.8	31.5	44.4	44.1
Rate of return on equity	(%)	(10.4)	(1.8)	(12.0)	(8.4)	13.4
Price-earnings ratio	(times)	-	-	-	-	99.96
Payout ratio	(%)	-	-	-	-	117.3
Number of employees [In addition, average number of temporary employees]	(persons)	53 [5]	64 [5]	70 [7]	69 [8]	57 [6]
Total shareholder return [Index compared: TOPIX Total Return Index]	(%) (%)	125.1 (109.8)	123.5 (135.9)	74.1 (139.3)	60.7 (170.1)	91.8 (202.4)
Highest stock price	(yen)	8,040	8,890	8,310	5,090	5,200
Lowest stock price	(yen)	4,960	6,330	3,480	2,909	3,070

(Notes) 1. Figures for diluted earnings per share for the 33rd term to 36th term are not stated because losses per share were recorded, even though there were dilutive shares.

2. Price-earnings ratio and payout ratio for the 33rd term to 36th term are not stated because losses were recorded.

3. Highest stock price and lowest stock price are prices on the Tokyo Stock Exchange (the first section) on and before April 3, 2022, and prices on the Tokyo Stock Exchange (Prime Market) on and after April 4, 2022.

4. The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 35th term. The key financial data for the 35th term onward reflect the application of the said accounting standard, etc.

2. History

History of the Company up to the present is as follows.

Year / month	Outline
July 1988	Established JIN Ltd. (currently JINS HOLDINGS Inc.) in Maebashi-shi, Gunma with share capital of 5 million yen for the purpose of planning, manufacture, and wholesale of fashion accessories and lifestyle accessories, and began its operations
July 1991	Reorganized JIN Ltd. into JIN CO., LTD., and increased share capital to 10 million yen
April 2001	Opened JINS Tenjin Store inside TENJIN VIVRE in Fukuoka-shi, Fukuoka, marking entry into the eyewear business
August 2006	Listed shares on the Hercules market of the Osaka Stock Exchange
	Increased share capital to 518 million yen through a public offering
August 2008	Relocated the head office function from Maebashi-shi, Gunma to Kita-Aoyama, Minato-ku to establish the Tokyo head office
September 2010	Established JINS SHENYANG CO., LTD. in Shenyang, Liaoning Province, China with 100% of its capital contributed by the Company, marking entry into China
June 2011	Established Brand New Day Inc., engaged in sales of women's accessories, as a wholly-owned subsidiary through an incorporation-type company split
October 2011	Established JINS SHANGHAI CO., LTD. in Shanghai, China with 100% of its capital contributed by the Company
August 2012	Increased share capital to 3,202 million yen through a public offering
December 2012	Established JINS BEIJING CO., LTD. in Beijing, China with 100% of its capital contributed by the Company
May 2013	Listed shares on the first section of the Tokyo Stock Exchange
December 2013	Established JINS US Holdings, Inc. in Delaware, U.S. with 100% of its capital contributed by the Company
	Established JINS Eyewear US, Inc. in San Francisco, California, U.S. with 100% of its capital contributed by JINS US Holdings, Inc.
July 2014	Relocated the Tokyo head office to Fujimi, Chiyoda-ku
June 2015	Established JINS TAIWAN CO., LTD. in Taipei, Taiwan with 100% of its capital contributed by the Company
December 2015	Established JINS CAYMAN Limited in the British territory of Cayman Islands with 100% of its capital contributed by the Company
February 2016	Established JINS ASIA HOLDINGS Limited in Hong Kong SAR, China with 100% of its capital contributed by JINS CAYMAN Limited
August 2016	Reorganized the businesses in China with JINS ASIA HOLDINGS Limited as an intermediate holding company
September 2016	Transferred the Company's men's accessories business to Brand New Day Inc. (whose name was changed to Feel Good Inc. as of the same date), a wholly-owned subsidiary of the Company, through a company split
May 2018	Established JINS JAPAN Inc. (currently JINS Inc.) in Maebashi-shi, Gunma with 100% of its capital contributed by the Company
June 2018	Established JINS Hong Kong Limited in Hong Kong SAR, China with 100% of its capital contributed by JINS ASIA HOLDINGS Limited
December 2018	Established Think Lab Inc. in Chiyoda-ku, Tokyo with 100% of its capital contributed by the Company

Year / month	Outline
July 2019	Transferred all businesses conducted by the Company (except for the business related to the control and management of business activities of the Company and companies whose shares are held by the Company, and the business related to Group operations) to JINS JAPAN Inc. (whose name was changed to JINS Inc. as of the same date) through a company split
	Changed the name to JINS HOLDINGS Inc. and transitioned into a holding company structure
February 2020	Issued euro yen denominated convertible bond-type bonds with share acquisition rights due 2023 and euro yen denominated convertible bond-type bonds with share acquisition rights due 2025 totaling 20 billion yen
March 2020	Reorganized JINS SHANGHAI CO., LTD. into a management company
August 2020	Withdrew from the women's accessories business and the men's accessories business operated by Feel Good Inc.
February 2021	Liquidation of Feel Good Inc. was completed
July 2021	Concluded a capital and business alliance agreement with Fittingbox S.A. and made it into an affiliate accounted for using the equity method
April 2022	Moved to the Prime Market of the Tokyo Stock Exchange
October 2022	Made Yamato Technical Co., Ltd. a subsidiary by subscribing for shares in the capital increase through third-party allotment
April 2023	Merged JINS BEIJING CO., LTD. into JINS SHANGHAI CO., LTD. through an absorption-type merger
May 2023	Relocated the Tokyo head office to Kanda Nishiki-cho, Chiyoda-ku
June 2023	Made Yamato Technical Co., Ltd. a wholly-owned subsidiary
September 2023	Dissolved Think Lab Inc. and withdrew from its business
December 2023	Liquidation of Think Lab Inc. was completed
	Merged JINS SHENYANG CO., LTD. into JINS SHANGHAI CO., LTD. through an absorption-type merger
September 2024	Established JINS Vietnam Co., Ltd. in Ho Chi Minh City, Socialist Republic of Vietnam with 100% of its capital contributed by the Company

3. Description of business

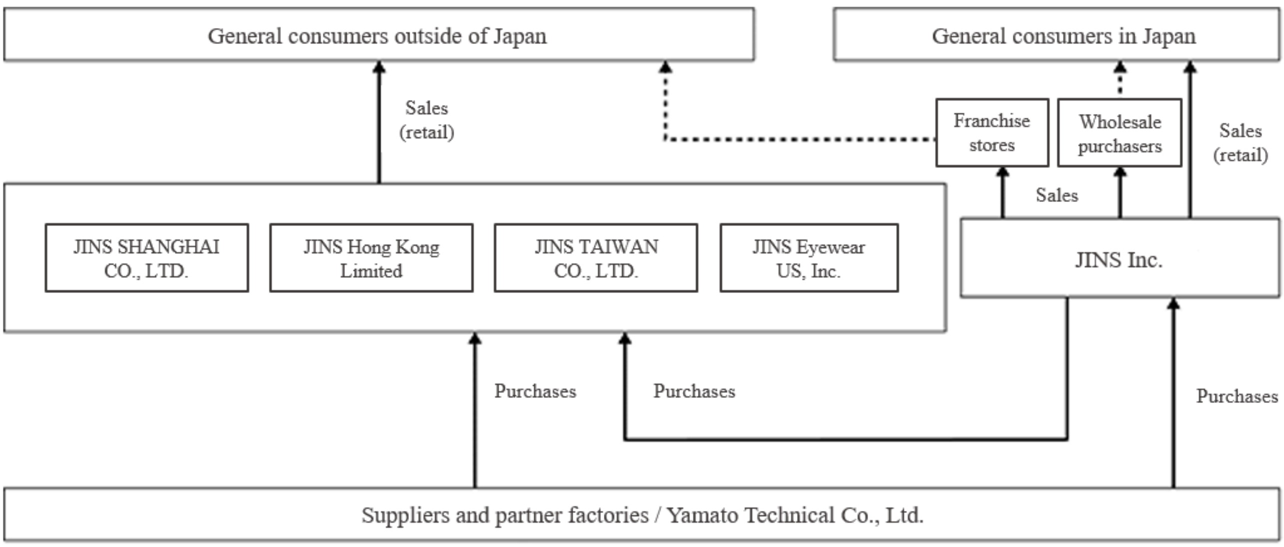
The Group is comprised of JINS HOLDINGS Inc. (the Company), nine consolidated subsidiaries, and one unconsolidated subsidiary, with the main business being eyewear retailing.

As the Company is considered a specified listed company, etc., a numerical standard to be defined in relation to the size of the listed company is determined based on figures on a consolidated basis with respect to the criteria for considering a material fact to be of minor importance under the insider trading regulations.

The positioning of each company in relation to the Group's businesses and relations with segments are as follows.

Reportable segment	Company name	Classification
Domestic eyewear business	JINS Inc.	Consolidated subsidiary
	Yamato Technical Co., Ltd.	Consolidated subsidiary
Overseas eyewear business	JINS SHANGHAI CO., LTD.	Consolidated subsidiary
	JINS US Holdings, Inc.	Consolidated subsidiary
	JINS Eyewear US, Inc.	Consolidated subsidiary
	JINS TAIWAN CO., LTD.	Consolidated subsidiary
	JINS CAYMAN Limited	Consolidated subsidiary
	JINS ASIA HOLDINGS Limited	Consolidated subsidiary
	JINS Hong Kong Limited	Consolidated subsidiary
Other	JINS HOLDINGS Inc.	The Company
	JINS norma CO., LTD.	Unconsolidated subsidiary

The Group's business structure is shown in the following chart.



*In addition to the companies shown in the above chart, the Group is comprised of the Company, three consolidated subsidiaries, and one unconsolidated subsidiary.

4. Subsidiaries and other affiliated entities

(Consolidated subsidiaries)

Name	Address	Share capital	Description of main businesses	Ratio of voting rights held (or indirectly held) (%)	Relationships
JINS Inc. (Note 2, 3)	Maebashi-shi, Gunma	¥110 million	Planning, manufacture, distribution, and sales of eyewear in Japan	100.0	Management guidance Lending funds, etc.
Yamato Technical Co., Ltd.	Echizen-shi, Fukui	¥10 million	Manufacturing and sales of eyewear in Japan	100.0	Lending funds, etc.
JINS SHANGHAI CO., LTD. (Note 2, 3)	Shanghai, China	USD 22,270 thousand	Management of the eyewear business and sales of eyewear in China	100.0 (100.0)	Lending funds, etc.
JINS US Holdings, Inc. (Note 2)	Delaware, U.S.	USD 48,500 thousand	Management of the eyewear business in the U.S.	100.0	–
JINS Eyewear US, Inc. (Note 2)	California, U.S.	USD 48,480 thousand	Sales of eyewear in the U.S.	100.0 (100.0)	Lending funds, etc.
JINS CAYMAN Limited (Note 2)	The British territory of Cayman Islands	USD 3.76	Management of the eyewear business in Asia	100.0	–
JINS ASIA HOLDINGS Limited (Note 2)	Hong Kong SAR, China	HKD 220,432 thousand	Management of the eyewear business in Asia	100.0 (100.0)	–
JINS TAIWAN CO., LTD.	Taipei, Taiwan	TWD 81,000 thousand	Sales of eyewear in Taiwan	100.0	–
JINS Hong Kong Limited (Note 2)	Hong Kong SAR, China	HKD 45,000 thousand	Sales of eyewear in Hong Kong	100.0 (100.0)	–

(Notes) 1. Figures in parentheses under the ratio of voting rights held (or indirectly held) (%) column are the ratio of voting rights held by the Company's subsidiaries, etc., which are included in the figures directly above.
2. These companies are specified subsidiaries.
3. Net sales of JINS Inc. and JINS SHANGHAI CO., LTD., excluding internal net sales between consolidated companies, each comprises more than 10% of consolidated net sales.

(JINS Inc.)

Key profit and loss information	1)	Net sales	¥65,302 million
	2)	Ordinary profit	¥7,830 million
	3)	Profit	¥5,380 million
	4)	Net assets	¥15,117 million
	5)	Total assets	¥33,512 million

(JINS SHANGHAI CO., LTD.)

Key profit and loss information	1)	Net sales	¥9,210 million
	2)	Ordinary loss	¥(301 million)
	3)	Loss	¥(769 million)
	4)	Net assets	¥1,324 million
	5)	Total assets	¥5,047 million

5. Employees

(1) Information about the Group

As of August 31, 2024

Name of segment	Number of employees (persons)
Domestic eyewear business	2,028 [1,583]
Overseas eyewear business	1,400 [109]
Other	57 [6]
Total	3,485 [1,698]

(Notes) 1. The number of employees is the number of people in employment and excludes those seconded from the Group to outside the Group and includes those seconded from outside the Group to the Group.

2. The figure in brackets under the number of employees column is the number of temporary employees (associate employees who are on fixed-term employment contracts with terms up to one year, contract employees, and part-time employees (converted to 8.0 hours per working day)) in employment averaged over the year, and is not included in the figure directly above.

(2) Information about the reporting company

As of August 31, 2024

Number of employees (persons)	Average age (years old)	Average years in employment (years)	Average annual salary (yen)
57 [6]	43.1	7.3	9,897,313

(Notes) 1. The number of employees is the number of people in employment and excludes those seconded from the Company to other companies and includes those seconded from other companies to the Company.

2. The figure in brackets under the number of employees column is the number of temporary employees (associate employees who are on fixed-term employment contracts with terms up to one year, contract employees, and part-time employees (converted to 8.0 hours per working day)) in employment averaged over the year, and is not included in the figure directly above.

3. Only the total number of employees is stated because all employees of the reporting company are included in the Other segment.

4. Average annual salary includes supplements and bonuses.

(3) Information about labor unions

While no labor unions have been established at the Company, the Company has maintained a smooth worker-employer relationship.

(4) Ratio of female workers who are managers, ratio of male workers who have taken childcare leave, and difference in pay between male and female workers

1) Reporting company

The submitting company is not subject to make the information public as defined in the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015) and the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991), and has been omitted.

2) Consolidated subsidiaries

Current fiscal year					
Name	Ratio of female workers who are managers (%) (Note 1, 3)	Ratio of male workers who have taken childcare leave (%) (Note 2, 3)	Difference in pay between male and female workers (%) (Note 1, 3)		
			All workers	Regular permanent workers	Non-regular workers
JINS Inc.	24.0	69.4	68.0	76.8	80.4

(Notes) 1. Calculated pursuant to the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).

2. The ratio of workers taking childcare leave, etc., is calculated under Article 71-4, Item 1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25 of 1991) pursuant to provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991).

3. The figures for the consolidated subsidiaries that are not made public as defined in the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015) and the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991) have been omitted.

II. Overview of Business

1. Management policy, business environment, issues to address

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

(1) Basic policies on corporate management

The brand vision of the Group is to "Magnify Life" or to enrich people's lives by shining a light on possibilities that no one knows yet. We have established Progressive, Inspiring, and Honest as our guiding principles, known as *Attitudes*, for realizing the brand vision, so that we can systematically adapt to changes in the market environment and ensure global growth.

The Group will strive to instill the brand vision by sharing the idea of "Magnify Life" within the Group and with our customers, and by offering customer experience based on this brand vision, to achieve sustainable growth.

(2) Medium- to long-term corporate management strategies

Through its SPA structure, in which we handle all stages of planning, manufacture, and sales of glasses and other eyewear, the Group has offered top-quality glasses with enhanced functions to all those who need glasses at affordable prices. As we drive the eyewear business forward, we will develop business models that increase customer value and work on continuous improvement of corporate value, such as by developing innovative products and introducing services that meet a variety of needs, while striving to improve our products and customer service.

1) Market environment

In the domestic retail eyewear market, the number of people who need vision correction is increasing as the increased risk of myopia has become a social issue with the spread of myopia among younger generations stemming from a decrease in children playing outdoors and increased use of smartphones and tablet devices, and an increase in the number of seniors with higher risk of vision deterioration. The overall market seemed to exhibit a trend of recovery to the level before the outbreak of COVID-19 as the impact of the pandemic diminished. As for the competitive environment in Japan, the overall market trend is heading toward lower prices, with operators whose business model is based on a single affordable price increasing their market share.

In the overseas retail eyewear market, the number of people who need vision correction is increasing similarly to Japan. The population with myopia is growing in China and other Asian countries, prompting the expansion of the market for glasses. Furthermore, many franchise eyewear stores imitating the Company have opened, causing the competitive environment to further intensify. In the United States, where sales at ophthalmologists, eyewear stores in partnership with ophthalmologists, and large national retail chains are the mainstream, e-commerce sales have seen growth in recent years.

2) Product strategies

As for product strategies, we will continue developing products that provide new value, such as the "Airframe" series, which uses lightweight materials, and "JINS PROTECT," to protect eyes from pollen and splashes, with the basic policy to offer top-quality glasses with enhanced functions at affordable prices. In addition, we will develop innovative products that offer better value to customers, represented by an eyeglass-shaped, violet-light-emitting medical device designed to suppress the progress of myopia.

As for lenses, we offer thin aspherical lenses from major lens manufacturers that block over 99% of UV rays as our standard lenses, and also offer optional lenses with diverse functionality at reasonable prices, including "JINS SCREEN lenses," which block blue light emitted by computers and smartphones, "visible-light photochromic lenses" that change color density depending on ultraviolet rays and visible light, and "FASHION COLOR LENS," available in a wide variety of colors.

3) Store strategies

As for store strategies, we will keep striving to expand our store network while promoting sales at e-commerce websites, because there are still some services that can only be offered at stores, such as a diopter test and fitting adjustment, and because we have not entered or are not widely recognized in certain regions.

In the domestic eyewear business, we will continue to open stores in regions where we do not yet have a presence and on roadsides, and will also advance our initiatives to provide the optimal purchasing experience for customers and to open highly productive stores, such as the introduction of automatic eye exam machines operable by customers on their own with the support of our staff, and installations of “PICK UP LOCKERS” where customers can collect finished glasses at their own convenience.

Regarding the overseas eyewear business, in China, where our business performance is affected by the ongoing economic downturn, we will restructure our business and build a new store opening strategy. In the United States, we are preparing to open new customer experience stores and will continue to open highly productive stores. We will work to further expand our global network by strategically opening stores in countries where we already have presence in line with opening conditions and strengthen our store base, while actively considering opening stores in new countries.

4) Digitalization strategies

In the social environment surrounding the Group, business transactions are diversifying as digital technology improves.

Amidst these changes in the business environment, our policy is to effectively incorporate the latest digital technologies into our business to achieve further growth for the Group.

We will strive to further enhance our corporate value by examining the broad potential of digital technology, promoting advanced digitization through strategic investments, and optimizing and streamlining our business.

(3) Target management indicators

The Group aims to increase its corporate value through continuous expansion of its businesses in the future. To achieve this goal, we will enhance the growth potential of our businesses while prioritizing the profitability of the domestic eyewear business and the overseas eyewear business. As for management indicators, we will strive to improve operating profit and the ratio of operating profit to net sales in our consolidated financial results, as well as return on equity (ROE).

(4) Priority business issues to be addressed

1) Enhancing innovative product development

While the Group has worked on developing products that provide new value to eyewear such as the “Airframe” series and “JINS SCREEN,” these products are quickly commoditized in the highly competitive market environment, and we recognize our products losing competitive advantage as an issue.

Despite such an environment, we are working to develop products that meet the needs of our customers depending on their usage scenarios, for example providing new product values such as the “JINS HOME” product line for use at home. We will also work on stably and continuously developing and offering products that fit the needs of our customers by maintaining two-way communication with them, for example, promoting a joint project to develop an eyeglass-shaped, violet-light-emitting medical device designed to suppress the progress of myopia, as part of our initiatives to realize “a world free from myopia.”

2) Rebuilding supply chains

The design and planning of products available at stores are conducted internally by the Group, while manufacturing of frames is mainly outsourced to partner factories in China. Concentration of production at a single manufacturing base in China is exposed to such risks as global economic trends and exchange rate fluctuations, and we recognize that this situation presents issues in the continuous and stable procurement of products in the future.

In order to diversify our manufacturing bases, we are considering overseas manufacturing bases outside of China, while working to shorten the lead time for delivery to storefronts by making Fukui-based Yamato Technical Co., Ltd. a subsidiary, aiming to expand product manufacturing in Japan which is the Group’s principal sales base.

3) Promoting sustainable store development

In terms of store development in Japan, the Group has opened stores mainly in city centers, major regional cities and surrounding neighborhoods, regional shopping centers, department stores, and station buildings while opening some roadside stores in the suburbs to promote diversification of our locations. However, in order to continue to expand our store network in the future, we recognize that developing stores that are both efficient and tailored to the diversification of customer needs is an important issue.

Therefore, we will continue to open stores in areas where we have not yet opened stores or on roadsides in suburbs depending on the situation of store openings in each country and region around the world, while also strengthening our dominance in some areas, in order to provide customers with the optimal shopping experience and to further strengthen our store base by expanding highly productive stores.

4) Responding to changes in the employment environment

In the social environment surrounding the Group, the labor force is shrinking, and labor costs continue to rise, and in order to promote further store development and digitalization, the challenge is to secure highly competent personnel.

We will work to understand the current employment situation and secure the appropriate personnel at the appropriate time, while also working to improve productivity by promoting the automation of various operations.

5) Promoting digitization

While the Group has promoted sales through e-commerce websites and the use of mobile apps for some time, in the social environment surrounding the Group, commercial transactions are becoming more diverse with the improvement of digital technology.

Amid this environment, we are working to offer a highly convenient purchasing experience tailored to customers' needs by utilizing advanced digital technology not only for e-commerce websites and mobile apps, but also at points of contact with customers, such as product selection, payment, and product delivery.

In addition to interaction with our customers, we aim to turn product management and performance management operations at headquarters into advanced digitalized forms through strategic investments as we strive to further increase corporate value through optimization and increased efficiency.

6) Promoting global development

Promoting global development is important for the Group to continue achieving sustainable growth, and we recognize that developing a foundation for expanding overseas business is an important issue.

In addition to promoting further growth in countries and regions where we have already entered, we will also work to strengthen our structure to accelerate overseas expansion, including investigating market environments as well as laws and regulations, and building new business models that are tailored to the conditions of each country, as we consider advancing into new countries.

7) Promoting sustainability activities

The Group has established its new Sustainability Statement, "Changing the Future Landscape Through Eyewear." We aim to create a sustainable society and enhance our corporate value by achieving our vision, "Magnify Life," through our business activities.

Under the new Sustainability Statement, we have established six focus areas for our future efforts: Consideration for the environment, Dependable products and services, Improvement of working environments in the supply chain, Healthcare innovation, Contribution to society, and Sound governance. We will fulfill our social responsibilities and make sustained contributions to society.

2. Stance and initiatives on sustainability

The Group's stance on sustainability and our initiatives are as follows.

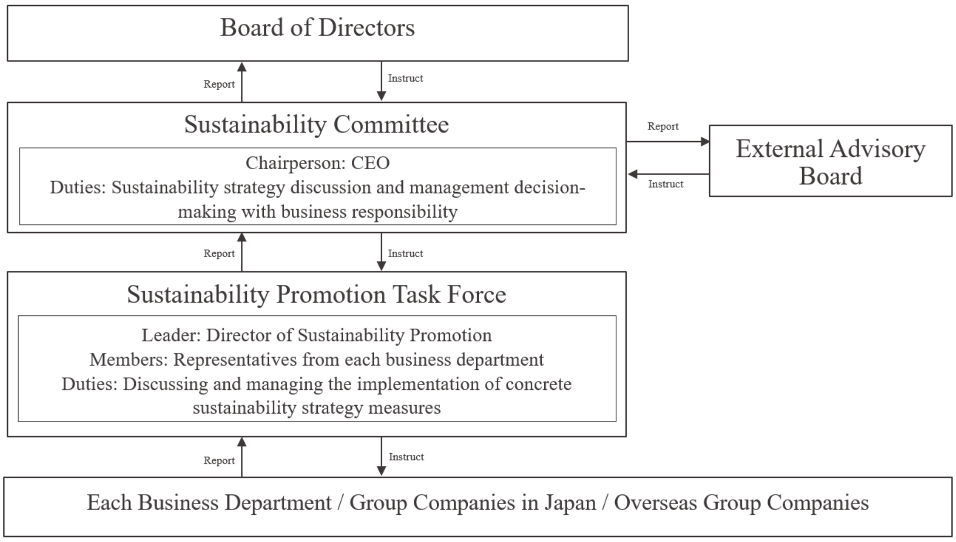
Forward-looking statements in this document are based on the Group's judgments as of the end of the fiscal year under review.

(1) Stance on sustainability

The Group's vision of "Magnify Life" expresses our strong desire to enrich the lives of all people and to provide opportunities for them to do so. In order to realize this vision, we believe that it is necessary to contribute to solving various social issues through our business activities while creating a sustainable society and increasing corporate value. Thus, we have established the sustainability vision, "Changing the Future Landscape Through Eyewear," and are proceeding with sustainability as an important management issue.

(2) Governance

The Group's sustainability promotion system is as follows.



The Group has established the Sustainability Committee in order to promote sustainability activities across the Group and to increase the transparency of our initiatives.

The Sustainability Committee is chaired by the President and CEO and meets twice a year in principle. The Sustainability Committee is responsible for determining the Company's overall sustainability strategy, setting 2030 targets, monitoring progress, etc. It also deliberates and makes decisions on matters proposed by the Sustainability Promotion Task Force, a subordinate organization of the Committee, and thoroughly monitors and manages risks and opportunities. In the course of the meetings, an external advisory board consisting of outside experts provides reports and advice as appropriate in response to the Task Force's inquiries, and the objective perspectives from external parties are reflected in the Company's management. In addition, the Group has established a system in which important matters are reported to the Board of Directors as appropriate to achieve effective governance.

The Sustainability Promotion Task Force is led by the officer in charge of sustainability promotion and consists of representatives from each business division. The task force is responsible for formulating medium- to long-term corporate strategies that take sustainability into consideration, as well as managing the implementation of measures by each business division and Group company. Each business department has its own management responsibility and reflects corporate strategies related to sustainability in its department policies and action plans.

The Group has established a system that enables prompt and fair management decisions for sustainable corporate growth, allowing each division to autonomously promote sustainability initiatives.

(3) Risk management

For the Group's risk management system as a whole, please refer to Item c. in "4. Status of Corporate Governance, etc., (1) Overview of Corporate Governance, 3) Other matters concerning corporate governance."

The Sustainability Committee collects, analyzes, and evaluates information on sustainability-related risks and opportunities. In particular, with regard to climate change, the Sustainability Committee evaluates the financial impacts and scope of impacts of manifested risks and risks expected to occur in the future, based on worldviews and laws and regulations for each scenario. In addition, climate change related risks and opportunities have been identified as transitional risks (policies, reputation, technology, and market), physical risks (acute and chronic), opportunities (products and services, market, energy source, resource efficiency, and resilience), and the priorities and plans of response (such as mitigation, transfer, control, and acceptance) considering the establishment, magnitude, and period when the financial impacts will occur have been decided. This identification and evaluation process will be periodically reviewed by the Sustainability Committee.

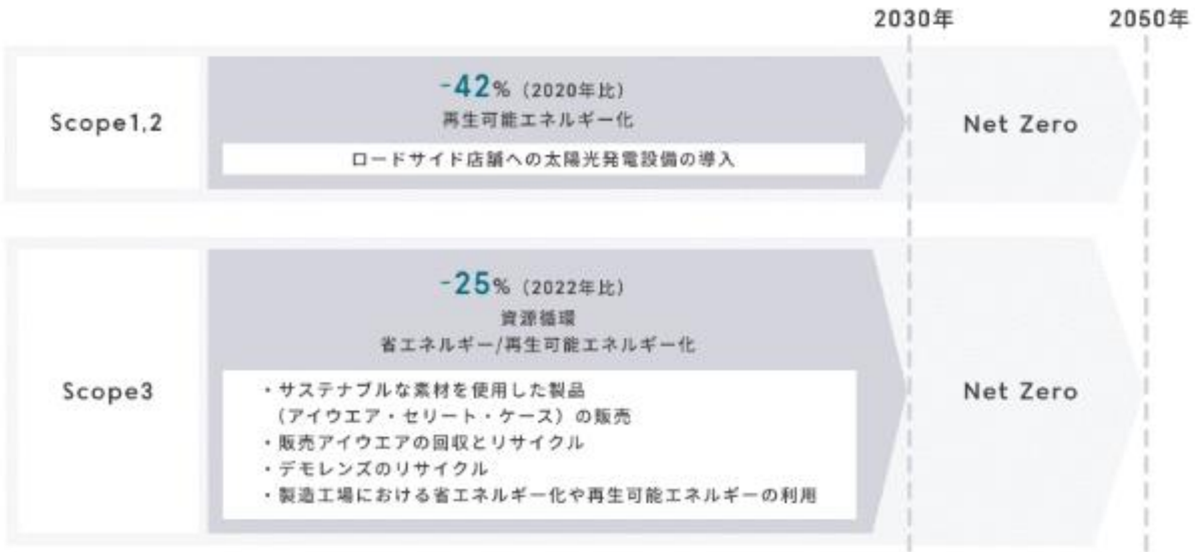
(4) Strategy

The Group identified its materiality issues in 2021 and has been working on related initiatives. However, due to the significant changes in social conditions and the business environment in recent years, we have reviewed our materiality issues in 2024 based on the Company’s strategy. Specifically, we analyzed the social issues that are important to both stakeholders and the Group, identified the most important social issues, and extracted six materiality issues: Consideration for the environment, Maximizing human resources and upholding human rights, Dependable products and services, Healthcare and innovation, Social contribution, and Sound governance.

We have implemented a process of setting targets, managing progress, evaluating, and improving for each of the six materiality issues, and are developing sustainability activities for all departments and employees. We will continue to periodically review our materiality issues in response to social trends and strengthen our corporate value.

(5) Metrics & targets

As a leading company in the Japanese eyewear industry, the Group supports the Paris Agreement and the Japanese government’s policy to realize a decarbonized society by 2050, and is working to reduce greenhouse gas emissions throughout the entire supply chain. Aiming to achieve carbon neutrality by 2050, we have formulated a roadmap for reducing emissions, setting the emission reduction target of -42% for Scope 1+2 (compared with 2020) and -25% for Scope 3 (compared with 2022) by 2030. The emission reduction target for Scope 1+2 was revised upward from -30% in accordance with the review of materiality issues in 2024.



The following table shows the targets for 2030 including these targets. We are actively working to achieve these goals, including allocating management resources on a priority basis.

	KPI項目	2030目標
環境への配慮	気候変動への対応	温室効果ガス(CO2)排出の削減 SCOPE1+2 42%削減(2020年比) SCOPE3　25%削減(2022年比)
		国内ロードサイド・路面店舗の 再生可能エネルギー利用率50%
	資源循環型社会の実現	アイウエア（樹脂製品）の50%を サステナブル素材に
人的資本の最大化と人権の尊重	従業員のDE&I	女性管理職比率30% 女性店長比率50%
		育児休暇取得率男女ともに100%
	人材開発	人材の国際間移動の推進
	サプライチェーンにおける人権尊重	新規サプライヤーと主要サプライヤーへの自社専門部署及び第三者によるモニタリングの徹底（100%）
		サプライチェーンでの重大事故ゼロ
社会への貢献	目の健康の啓発や優れた見る体験の創造と機会の提供	見る育やアート支援など、 人々の見る目を養う活動の継続的な実施
	地域共生社会への貢献	店舗を通じた、地域共生活動の継続的な実施

	KPI項目	2030目標
ヘルスケア・イノベーション	近視進行を予防する 技術/商品/サービス開発	バイオレットグラスの開発/普及 による近視拡大への歯止め
	イノベーションによる 新たな価値創造	新しい価値を提供する アイウエアの開発
安心の製品とサービス	徹底した品質管理による高品質な製品の提供	品質管理体制の高度化と モニタリングの実施
	顧客価値を高める サービスの提供	製品・サービスに関する お客様満足度の向上
健全なガバナンス	健全なガバナンス体制	コーポレートガバナンス執行体制の第三者評価（年1回）と課題への迅速な対応
		第三者による取締役会の実効性評価（年1回）と課題への迅速な対応
		独立社外取締役の半数以上の継続
		役員層の女性・外国籍合計比率 25%以上

(6) Human resources and diversity

The Group believes improvement of working environments for employees working at headquarters and stores as well as in the supply chain in planning, manufacture, and sales is an important theme. The Group respects the human rights of all employees, and as we believe that we have a responsibility to ensure their physical and mental health, safety, and security, we are proceeding with initiatives.

With a belief that creating an environment in which diverse employees feel comfortable to work leads to responding to the various eyewear needs, we are implementing various initiatives to promote diversity. In addition, we are working to improve employee benefits and contribute to the local economy by increasing the basic salary of full-time store employees twice, in September 2023 and April 2024, and by revising the number of annual leave days. We focus on creating an organization and environment for generating new value by internalizing diverse values and ways of thinking through these initiatives and by implementing various efforts with a focus on human resources.

In human resource development, we actively hire mid-career employees as immediate assets and hire new graduates on an ongoing basis, while striving to enhance training systems of all kinds for store staff and headquarter employees according to their capabilities and careers.

We also focus on developing human resources. The efforts include JINS Academy, an internal educational institute established for the purpose of helping employees obtain the qualification of eyeglass manufacturing engineer, a new national license launched in 2022. We also provide assistance to employees who are in charge of training and development, and encourage them to attend optometry schools outside the Company.

KPI Item	2030 Target	Results as of August 2024
Employee DE&I	1) Ratio of female managers 30% 2) Ratio of female store managers 50%	Ratio of female managers 24.4% Ratio of female store managers 28.8%
	3) Ratio of childcare leave taken by both males and females 100%	Ratio of childcare leave taken Males 70.3% Females 100%
Human resource development	4) Promotion of international transfer of human resources	10 cases

(Note) The Group has been working on detailed initiatives in accordance with our policies on human resource development, including ensuring diversity in its workforce, and policies on improving the internal environment, while managing related indicator data. However, these are not implemented at all consolidated Group companies, making it difficult to provide consolidated Group-wide results. Therefore, the target corporations for 1), 3) and 4) are JINS HOLDINGS Inc. and JINS Inc., and only JINS Inc. for 2).

3. Business risks

Among matters related to the overview of business and financial information stated in the Annual Securities Report, primary risks recognized by the management as those that may have a significant impact on the financial position, operating results, and cash flows of the consolidated companies are as follows.

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

Risks related to the supply chain

	Description of risks	Measures to mitigate risks
Risks related to raw material procurement and production	While the Group designs and plans its products internally, we outsource manufacturing to external companies, many of which are partner factories and companies (trading companies) in China. Therefore, should manufacturing and distribution of products be hindered by changes in the society, economy, or political situation in China or statutory regulations and restrictions imposed by Chinese authorities, or if personnel expenses in China increase rapidly or exchange rates fluctuate drastically, leading to a sharp increase in import purchase costs, it may have a significant impact on the business results and financial position of the Group.	The Group will decentralize production areas and manufacturing bases within China and build a manufacturing system in Japan to mitigate the impact of situations in China on the manufacturing of products. In addition, we will further diversify our production areas and manufacturing bases to multiple countries and regions to build a supply chain that enables us to flexibly respond to changes in the international situation.
Risks related to products (manufactured goods)	If a defect in glasses, contact lenses, or other products sold by the Group causes damage to a customer's body or property, significant costs that would be incurred, such as the payment of compensation for damages, cost of product recalls, and cost of providing replacement products, as well as the loss of trust from society, may have a significant impact on the business results and financial position of the Group.	In order to prevent safety defects in the products we sell, we have established a quality control department and assigned experts there and specialized departments visit the production sites to directly check the production management system, thereby preventing silent changes at the site. In addition, we have separated the quality assurance department from the production department and made it a stand-alone function to strengthen the checking system. Additionally, we have established a customer consultation center to respond to complaints, etc. after product sales. Moreover, the Group has taken out a liability insurance policy in case the Group is held liable by customers for product-related incidents.

Risks related to sales and marketing

	Description of risks	Measures to mitigate risks
Risks related to store development	Although the Group opens stores mainly in city centers, major regional cities and surrounding neighborhoods, regional shopping centers, department stores and station buildings, it may not be possible to open stores as planned if the number of commercial facility developments or tenant replacements in existing commercial facilities significantly decreases. Furthermore, the basic policy of the Group is to open stores by leasing locations. The Group provides leasehold, guarantee deposits, construction assistance fund receivables, and other payments to real estate lessors such as landowners and business operators of shopping centers and other commercial facilities, in accordance with lease agreements. If a lessor goes bankrupt, or if the Group withdraws from a location before the term of the contract expires, it may become difficult to collect all or part of the above-mentioned leasehold, guarantee deposits, etc. Should this happen, it	The Group strives to increase net sales per store by enhancing the ability to attract customers and maintain close communication with the leasing divisions of commercial facilities, in order to induce more solicitations from commercial facilities. In addition, we are making progress in opening roadside stores in addition to locations within commercial facilities. When opening new stores based on lease agreements, the Group sufficiently examines the credit status and matters related to rights of the real estate lessor, and also keeps an eye on the collection and management of receivables such as leasehold and guarantee deposits after the stores are open. In addition, if the real estate lessor is not a listed company, the Group has credit insurance for the receivables to be collected.

	may have a significant impact on the business results and financial position of the Group.	
Risks related to overseas expansion	In the overseas eyewear business, the Group expanded to China in 2010, to the United States and Taiwan in 2015, and to the Philippines and Hong Kong in 2018. The Group is also considering entry to other overseas markets in the future. Operating business overseas contains several risks including those listed below, and should these risks materialize, it may have a significant impact on the business results and financial position of the Group. - Unexpected changes in laws and regulations and tighter regulations - Changes in government policies that are detrimental to business activities - Changes in political, economic and social conditions - Sharp increase in personnel expenses and difficulties in hiring - Underdeveloped infrastructure - Potential international taxation risk - Social or economic turmoil due to an act of terrorism, war, disease, disaster, or other factors	When entering an overseas market, the Group sufficiently studies and considers various conditions of the target country or region in advance, including its market size, competitive environment, statutory regulations, and social situations. In addition, the Group closely monitors any changes in the environment related to business operations even after the entry, striving to control risks.

Risks related to the industry environment

	Description of risks	Measures to mitigate risks
Risks related to the emergence of alternative products and service competitors	Should a new vision correction method emerge due to the spread of alternative products and services such as laser vision correction surgery, or technological innovation that exceeds expectations, or if a competitor that offers higher added-value than the Group appear due to another company in the industry converting its business model or a company from a different industry or from overseas entering the market and the Group's competitive advantage declines, there is a possibility that the business results and financial position of the Group may be significantly affected.	In addition to expanding its range of functional products for purposes other than vision correction (such as blocking blue light and pollen), the Group is constantly seeking to develop new businesses, not just in the eyeglass retail business, but also in community-based businesses, etc. We are also working to differentiate ourselves from other companies in the same industry, provide high added value, and maintain our competitive edge by increasing our points of contact with consumers through the use of DX and improving the customer experience.
Risks related to securing and developing human resources	While the Group plans to expand its business by actively opening new specialty eyewear stores, our ability to open new stores depends on securing and developing human resources including excellent store employees and store managers. Moreover, the Group believes that it is important to strengthen the management execution structure and enhance the human resources in the headquarters in the planning, development, production, IT, and management departments for promoting differentiation from our competitors. Should we experience difficulties in securing human resources commensurate with the Group's plans, our inability to open new stores as planned and differentiate ourselves from competitors may have a significant impact on the business results and financial position of the Group.	The Group secures human resources by actively employing mid-career hires who can be an immediate asset while hiring new graduates on an ongoing basis. With the rapid rise in prices in recent years, it has become a social imperative to create an environment and working conditions that allow employees to focus on their work. Against this background, in order to continuously provide higher quality services at our stores, which are the cornerstone of customer experience, we have raised the base wage of full-time and fixed-term store employees. In addition, the Group conducts ongoing group training at the Tokyo head office, Maebashi head office, and several locations nationwide, as well as online training, for store employees in an effort to develop human resources. In addition, we established an educational system in-house, including "JINS Academy," an internal educational institute established for the purpose of helping employees obtain the national license of eyeglass manufacturing engineer.

Risks related to the legal regulations

	Description of risks	Measures to mitigate risks
Risks related to legal regulations in general	In Japan, the Group is subject to various laws and regulations, including the Companies Act, the Financial Instruments and Exchange Act, and the Pharmaceutical and Medical Device Act (hereinafter referred to as the "PMD Act"), as well as various other laws, regulations, and systems relating to taxation, labor, and consumer transactions. Our overseas bases are also subject to the laws and regulations of each government. Any change, enhancement, or reinterpretation of these legal regulations, or the occurrence of misconduct or violation of laws and regulations, could have a material impact on the Group's business performance and financial position due to restrictions on business activities or loss of social trust.	The Group has established specialized departments for legal affairs, pharmaceutical affairs, tax affairs, labor affairs, etc., and, with the support of law firms, collects information on the enforcement and revision of laws and regulations, and confirms the compliance of business activities, transactions, advertising expressions, etc. with the laws. The Group also strives to ensure thorough compliance with laws and regulations by improving the understanding of compliance among officers and employees through regular compliance education. In addition, the Group closely monitors any changes in the legal environment related to business operations in close cooperation with overseas bases, striving to control risks.
Risks related to diopter test practices	In Japan, Article 17 of the Medical Practitioners Act prohibits non-physicians from performing medical practices. Medical practice is interpreted as any action that could cause harm to health and hygiene if it were not performed by a physician. However, there are no clear legal provisions regarding whether or not the diopter tests conducted upon selling eyeglasses falls under the category of medical practice. A person who is not a physician may perform the test as long as there is little risk of harm to the human body, such as assisting customers in selecting appropriate eyeglasses for their eyes. However, if the assistance in diopter tests mentioned above is deemed to be classified as a medical practice due to amendments to laws and regulations or changes in interpretation thereof, a decline in net sales associated with changes to the business model and other factors may have a significant impact on the business results and financial position of the Group.	Upon selling eyeglasses at our domestic eyewear stores, the Group conducts diopter tests at the customer's request to select the strength that suits the customer's eyes. However, this practice does not pose a risk of causing harm in terms of health and hygiene, and the risk of causing any harm to the human body is minimal. On the other hand, the Group believes that performing diopter tests must be backed by sufficient technique and knowledge, and focuses on enhancing the internal training system. We also strive to provide the best possible solutions for our customers' eyeglass strength selection and to reduce risk, such as recommending that prescriptions from ophthalmologists be used for those who are junior high school students or younger, or for those who are using eyeglasses for the first time. We do not perform eye examinations or medical examinations that fall under the category of medical practice.
Risks related to the manufacturing and sales of medical devices	In its domestic eyewear business, the Group imports some of its lenses for glasses and ready-made reading glasses directly from manufacturers outside of Japan and procures contact lenses from companies in Japan for sales. Lenses for glasses and ready-made reading glasses are categorized as general medical devices under the PMD Act and contact lenses are categorized as specially-controlled medical devices under the PMD Act, which regulates the acts of importing or selling these devices. Any change, enhancement, or reinterpretation of these legal regulations, or the occurrence of misconduct or violation of laws and regulations, could have a material impact on the Group's business performance and financial position due to the suspension of product supply resulting from the cancellation of licenses or loss of social trust.	For eyeglass lenses and contact lenses, the Group has established specialized departments to deal with regulations and approvals based on the PMD Act, and is striving to comply with the PMD Act and related laws and regulations as well as to ensure proper quality control of lenses, etc.

	Description of risks	Measures to mitigate risks
Risks related to intellectual property rights	In order to constantly propose advanced products to the market, the Group is continuously developing new products and technologies independently as well as in collaboration with partner companies, universities and other research institutions. However, the Group's performance and financial position may be significantly affected in the event that there are obstacles to the protection or enforcement of intellectual property rights created through these activities, and the Group fails to effectively eliminate counterfeiting of its products by third parties, resulting in loss of market share, or in the event that the Group receives claims for damages or injunctions for infringement of intellectual property rights of third parties.	We have established a specialized department for intellectual property, and have obtained patent rights and design rights for important technologies and designs, as well as trademark rights for the names of major brands and products and services to protect intellectual property rights. Additionally, in the development of products and services, the Group thoroughly investigates intellectual property rights of third parties in advance to avoid infringement.

Risks related to information management

	Description of risks	Measures to mitigate risks
Risks related to information security and privacy protection	The Group is working to improve operational efficiency and productivity by promoting the use of IT. However, there is a risk that business activities may be temporarily suspended if there is a leak, loss, or alteration of important company information assets, including personal information, due to unauthorized access or malware infection, and there is also a possibility that the Group's business performance and financial position may be significantly affected due to a loss of social trust, etc.	We have established a specialized IT governance department and are working to reduce information security risks by taking security measures for each risk factor, such as cyber-attacks and information leaks by internal parties. With regard to privacy protection, the Group has established a Privacy Policy, Personal Information Protection Regulations, Information Security Policy, Information Security Regulations, etc. As a business operator handling personal information, the Group is taking all possible measures to prevent the leakage of personal information, while also ensuring that our internal management system is in place and that all employees are fully aware of the regulations. In addition, the Group holds meetings of the Personal Information Committee and Information Security Committee once a month to monitor the operation and management and to work on continuous improvements.

Risks related to changes in the financial environment

	Description of risks	Measures to mitigate risks
Risks related to fluctuations in interest rate trends	The Group has procured funds for new store openings and other capital investment as well as its working capital through bank loans, and may procure funds going forward according to future fund requirements. Should the level of interest rates rise due to an increased reliance on interest-bearing liabilities in the future or changes in the financial environment, it may have a significant impact on the business results and financial position of the Group.	In order to flexibly respond to financial conditions, the Group strives to control its reliance on interest-bearing liabilities and raise funds appropriately in accordance with financial trends.
Risks related to changes in the financing environment	Future changes in financial conditions as well as the Group's business performance and financial position may have a significant impact on financing for capital expenditures such as new store openings in the Group as well as additional working capital in line with increased sales. In addition, on February 12, 2020, the Company issued euro yen denominated convertible bond-type bonds with share acquisition rights due 2025. If the Company's stock price remains at a level lower than the conversion values and the convertible bonds are not converted to shares as expected, the Company would have to redeem all of the remaining convertible bonds at face value on each maturity date. Should this happen, the Company may have to take measures such as refinancing, which may include other means of financing.	The Group has entered into loan commitment agreements with counterparty banks to flexibly and stably procure funding for capital investments and working capital, and the Group maintains good relationships with counterparty banks so as not to hinder necessary financing.
Risks related to the impact of exchange rate fluctuations	Because the Group imports most of the glasses frames and some of the lenses, which are the Group's main products, directly from China and other foreign countries, purchase costs are affected by exchange rate fluctuations. In addition, the Group holds seven overseas consolidated subsidiaries, four of which are operating companies, as of the end of the fiscal year under review. Because the amounts denominated in foreign currencies in financial statements of overseas subsidiaries and affiliates are converted to Japanese yen in consolidated financial statements of the Company, the Company's consolidated financial statements are affected by exchange rate fluctuations between the Japanese yen and each currency. Should exchange rates fluctuate drastically, factors including a sharp increase in import purchase costs and fluctuations of yen-denominated figures in financial statements of overseas consolidated subsidiaries may have a significant impact on the business results and financial position of the Group.	Regarding purchase costs, the Group monitors exchange rate fluctuations and controls the exchange rate fluctuation risk to minimize its impact on the Group's business results and financial position, such as appropriately reviewing selling prices while considering the movements of competitors for foreign exchange impacts that cannot be absorbed. The Group will also work to reduce the impact of exchange rate fluctuations on purchasing costs by establishing a domestic production system. In addition, we are striving to reduce the impact of the conversion of foreign currency denominated financial statements of overseas consolidated subsidiaries into Japanese yen on our consolidated financial statements by reducing assets, such as inventory.

Other risks

Risks related to natural disasters, etc.	If a large-scale disaster such as an earthquake or tsunami, or an accident, fire, terrorism or war, etc. occurs near the Group's store facility, logistics base, head office facilities, partner factories or other production facilities and causes serious damage to such facilities, or should the Group become unable to engage in business activities for an extended period of time, including selling products and supplying products to stores due to a pandemic, it may have a significant impact on the business results and financial position of the Group.	A BCP plan has been formulated in case of an emergency such as a large-scale disaster or a pandemic, and we have made thorough preparations to quickly collect information and to be ready for a company-wide response in the event of an emergency. In order to minimize damage to product inventory and ensure continued supply of products to stores or quick recovery, logistics bases at two locations in Kanto and Kansai regions have been established.
Risks related to human rights	The Group is engaged in the planning, development, production and supply of products and services in cooperation with its supply chain, including partner factories in Japan and overseas, and its business partners, including vendors. In the course of such business activities, if any incidents occur that seriously damage the human rights of those involved, such as forced labor, child labor, harassment or discriminatory acts, it could lead to a decline in the trust of customers and business partners in the Group, and have a significant impact on the Group's business performance and financial position.	As part of its human rights policy, the Group's Guidelines for Code of Ethics stipulates respect for fundamental human rights and dignity of individuals and prohibits discrimination and acts that may harm an individual's dignity. In addition, we conduct regular external audits on our major suppliers, and promote human rights due diligence to confirm the prohibition of forced labor, child labor, inhumane treatment and discrimination, as well as the working environment, in an effort to prevent human rights violations. Moreover, the Group has established multiple consultation services for various stakeholders, including business partners, employees, customers, shareholders, and local communities who are involved in the Group's business, and accept consultations regarding human rights. In the unlikely event that a human rights violation is identified, we have a system in place to promptly and sincerely take relief and remedial measures.
Risks related to impairment loss of non-current assets and investment securities	When opening a new store, the Group either constructs a building for the store on a piece of leased land or installs decorations and fixtures inside a leased building or a part of a building, and these buildings, decorations, and fixtures are recorded as non-current assets. Should there be significant deterioration in the profitability of the store, a need to record an impairment loss of non-current assets related to a particular store will arise. In addition, although we hold investment securities such as contributions to expand business or develop new business, an impairment loss will be recorded in the event of not achieving the profitability expected when the decision to contribute was made, or if profitability or results are not expected. These recordings may have a significant impact on the business results and financial position of the Group.	The Group monitors the profitability of each store, and if there is a sign of deterioration in profitability, the Group appropriately determines recoverability and records impairment losses as needed to minimize the impact on the business results and financial position of the Group. For investment securities, we work to reduce the risks by continuously monitoring the progress of results, etc., after the contribution.

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

(1) Overview of operating results, etc.

1) Financial position and operating results

During the fiscal year ended August 31, 2024 (September 1, 2023 to August 31, 2024), the Japanese economy showed a moderate recovery. It was backed by personal consumption and inbound demand, which were on a recovery trend due to the normalization of socioeconomic activities following the easing of restrictions on movement in response to COVID-19 measures. However, we must pay close attention to the impact on the economy caused by price increases driven by the surge in commodity prices reflecting changes in the global political situation, fluctuations in financial and capital markets, including currency and interest rates movements, and other factors. Looking at the global economy, while rising prices, fluctuations in financial and capital markets and other factors continue to affect the economy, as mentioned above, China in particular 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 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 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 “a 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 eyewear stores as of August 31, 2024, was 736, including 495 stores in Japan and 241 stores overseas (167 in China, 61 in Taiwan, 9 in Hong Kong, and 4 in the United States).

As a result, the operating results and financial position for the fiscal year under review were as follows.

(a) Operating results

For the fiscal year under review, the Company posted net sales of ¥82,999 million (up 13.3% year-on-year), operating profit of ¥7,836 million (up 61.7% year-on-year), ordinary profit of ¥7,735 million (up 106.9% year-on-year), and profit attributable to owners of parent of ¥4,671 million (up 165.1% year-on-year).

Operating results by segment are as follows.

Net sales of the domestic eyewear business were ¥64,293 million (up 14.5% year-on-year), and segment operating profit was ¥7,791 million (up 74.5% year-on-year).

Net sales of the overseas eyewear business were ¥18,705 million (up 9.3% year-on-year), and segment operating profit was ¥44 million (down 88.4% year-on-year).

(b) Financial position

Total assets at the end of the fiscal year under review increased ¥9,182 million from the end of the previous fiscal year to ¥54,045 million.

Total liabilities at the end of the fiscal year under review increased ¥5,367 million from the end of the previous fiscal year to ¥28,451 million.

Net assets at the end of the fiscal year under review increased ¥3,814 million from the end of the previous fiscal year to ¥25,593 million.

2) Cash flows

Cash and cash equivalents as of the end of the fiscal year under review decreased ¥6,470 million from the end of the previous fiscal year to ¥18,673 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 ¥4,934 million year-on-year to ¥10,989 million.

This was mainly due to an increase in funds resulting from the recording of ¥7,202 million in profit before income taxes and ¥2,926 million in depreciation, despite a decrease in funds due to ¥1,260 million of income taxes paid.

(b) Cash flows from investing activities

Net cash used in investing activities decreased ¥1,463 million year-on-year to ¥2,385 million.

This was mainly due to the use of ¥1,886 million in purchase of property, plant and equipment in line with the store openings and renovations and ¥739 million in purchase of intangible assets.

(c) Cash flows from financing activities

Net cash used in financing activities decreased ¥9,167 million year-on-year to ¥2,335 million.

This was mainly due to ¥1,056 million in dividend payments and ¥746 million in repayments of installment payables.

3) Production, orders received, and sales

Although the Group manufactures some products to order, such information is omitted due to its immaterial amount.

Sales results are shown in relation to the operating results of each reportable segment in “(2) Analysis and examination of operating results, etc. from management perspective, 2) Understanding, analysis, and examination of operating results, etc. for the fiscal year under review.”

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

Understanding, analysis, and examination of the Group's operating results, etc. from management perspective are as follows. Forward-looking statements in this document are based on judgments as of the end of the fiscal year under review.

1) Significant accounting policies and estimates

Consolidated financial statements of the Group are prepared based on significant accounting policies and estimates in accordance with accounting principles generally accepted in Japan.

In preparing consolidated financial statements, the Company makes estimates and judgments according to past results and circumstances, based on various factors that are deemed reasonable. Estimated items have an impact on reported figures of assets and liabilities and disclosure of contingent liabilities as of the fiscal year-end, as well as reported figures of revenue and expenses for the accounting period. The actual results may differ from these estimates due to inherent uncertainties of the estimates.

These significant matters forming the basis of preparation of consolidated financial statements are stated in "Significant accounting estimates" of "V. Financial Information, 1. Consolidated financial statements, etc., (1) Notes to consolidated financial statements."

2) Understanding, analysis, and examination of operating results, etc. for the fiscal year under review

Analysis of operating results

(Net sales)

Net sales for the fiscal year under review were ¥82,999 million (up 13.3% year-on-year).

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 the "JINS HOME" series of eyeglasses, which are specifically designed for at-home use and combine a comfortable, stress-free fit with a design that allows users to enjoy everyday life in their own way, and we saw higher demand for optional lenses such as a visible light photochromic lens that changes color depending on ultraviolet rays and light, as well as for sunglasses and other seasonal products in the summer, which led to an increase in unit prices. Meanwhile, membership of the JINS app reached approximately 15.21 million people as of the end of August 2024.

In terms of store development, the number of stores in Japan was 495 (25 openings and 3 closures).

As a result, net sales of the domestic eyewear business increased by 14.5% year-on-year.

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 increased due to the opening of new stores, earnings were lower than expected due to an increase in outbound sales to China and Japan due to the impact of foreign exchange rates.

In the United States, we have promoted business structure reform, and net sales of the existing stores also remained strong.

As a result, net sales of the overseas eyewear business increased by 9.3% year-on-year.

(Operating profit)

Operating profit for the fiscal year under review was ¥7,836 million (up 61.7% year-on-year).

In the domestic eyewear business, despite the impact of higher purchasing prices due to the depreciation of the yen, the gross profit margin increased owing to improvements in the product mix, etc. As for SG&A expenses, the ratio of SG&A expenses to net sales improved due to higher sales, although personnel expenses increased due factors such as the increased number of store openings and revised hourly wages.

In the overseas eyewear business, as mentioned above, the continued slump in consumption, mainly in China, had an impact on the Company's performance.

(Ordinary profit)

Ordinary profit for the fiscal year under review were ¥7,735 million (up 106.9% year-on-year).

This was mainly due to an increase in operating profit.

(Profit before income taxes)

Profit before income taxes for the fiscal year under review was ¥7,202 million (up 149.7% year-on-year).

This was mainly due to an increase in ordinary profit.

(Profit attributable to owners of parent)

Profit attributable to owners of parent for the fiscal year under review was ¥4,671 million (up 165.1% year-on-year).

This was mainly due to an increase in profit before income taxes.

Analysis of financial position and cash flows

(Assets)

Current assets increased ¥8,496 million from the end of the previous fiscal year to ¥32,254 million.

This was mainly due to increases of ¥6,470 million in cash and deposits and ¥1,512 million in accounts receivable - trade.

Non-current assets grew ¥685 million from the end of the previous fiscal year to ¥21,791 million.

This was mainly due to increases of ¥11 million in property, plant and equipment such as buildings and structures and ¥291 million in leasehold and guarantee deposits as a result of the Group's expansion of retail stores.

As a result, total assets increased ¥9,182 million from the end of the previous fiscal year to ¥54,045 million.

(Liabilities)

Current liabilities were up ¥14,393 million from the end of the previous fiscal year to ¥25,663 million.

This was mainly due to the transfer of ¥10,005 million of the current portion of convertible bond-type bonds with share acquisition rights from non-current liabilities and an increase of ¥1,224 million in accounts payable - other, and accrued expenses.

Non-current liabilities decreased ¥9,025 million from the end of the previous fiscal year to ¥2,787 million.

This was mainly due to the transfer of ¥10,005 million of the current portion of convertible bond-type bonds with share acquisition rights to current liabilities.

As a result, total liabilities grew ¥5,367 million from the end of the previous fiscal year to ¥28,451 million.

(Net assets)

Net assets increased ¥3,814 million from the end of the previous fiscal year to ¥25,593 million.

This was mainly due to the recording of ¥4,671 million in profit attributable to owners of parent, despite a decrease of ¥1,056 million due to the payment of dividends.

Analysis of cash flows is as stated in “(1) Overview of operating results, etc., 2) Cash flows.”

Analysis of sources of capital and funding liquidity

Major working capital requirements of the Group arise from purchase of products and operating expenses including selling, general and administrative expenses. Fund requirements for investing purposes arise from capital investment including new store openings.

Although the Group raises its working capital and funds for opening new stores primarily through equity capital, we may use bank loans and lease contracts for procuring funds for capital investment and long-term working capital as necessary.

In the fiscal year under review, the Group has entered into overdraft agreements with five counterparty banks, with overdraft limits of ¥10,800 million, 120 million Chinese yuan, 15 million Hong Kong dollars, and 13 million New Taiwan dollars, as well as loan commitment agreements totaling ¥8,000 million with four counterparty banks to flexibly and stably procure funding for capital investments.

In addition, the Group issued euro yen denominated convertible bond-type bonds with share acquisition rights totaling ¥20,000 million in February 2020, mainly for the purpose of investments that enable further expansion of the eyewear business, development of new businesses, and sustainable growth.

As of the end of the fiscal year under review, short-term borrowings amounted to ¥1,909 million, long-term borrowings amounted to ¥45 million, and lease obligations amounted to ¥415 million.

5. Material contracts, etc.

Not applicable.

6. Research and development activities

Most of the research and development activities conducted by the Group pertain to the domestic eyewear business and the overseas eyewear business.

During the fiscal year under review, as part of our initiatives to realize “the world free from myopia,” we conducted a joint project to develop an eyeglass-shaped, violet-light-emitting medical device designed to suppress the progress of myopia.

As a result, total research and development expenses were ¥124 million for the fiscal year under review.

III. Status of Equipment and Facilities

1. Summary of capital investment, etc.

Capital investment, etc. for the current consolidated fiscal year included new store openings and store renovations, and the total amount of capital investment including leasehold and guarantee deposits amounted to ¥4,540 million.

The breakdown by segment is as follows.

(Domestic eyewear business)

The Group conducted investments totaling ¥3,457 million including leasehold and guarantee deposits for opening 25 new specialty eyewear stores and renovating 17 stores, namely JINS LUMINE Shinjuku Store.

(Overseas eyewear business)

The Group conducted overseas investments totaling ¥1,083 million including leasehold and guarantee deposits for opening 20 new specialty eyewear stores.

2. Status of major equipment and facilities

(1) Submitting company

As of August 31, 2024

Region (location)	Name of segment	Sales floor area (m^2)	Details of facilities	Book value (Millions of yen)						Number of employees (persons)
				Buildings and structures	Tools, furniture and fixtures	Land (area m^2)	Leased assets	Other	Total	
Head office, etc. (Maebashi-shi, Gunma)	Other	1,261.06	Office	155	18	- (1,806.96)	-	-	174	-
Tokyo head office (Chiyoda-ku, Tokyo)	Other	3,160.83	Office	129	17	-	-	1,085	1,231	57
Total		4,421.89	-	284	36	- (1,806.96)	-	1,085	1,406	57

(Notes) 1. “Other” in the book value refers to software, etc.

2. The book value does not include the amount of construction in progress and software in progress.
3. The number of employees above is the number of people in employment and excludes those seconded from the Company to other companies and includes those seconded from other companies to the Company.
4. Of the above land, the figures in parentheses indicate the land area under lease (including land for parking lots).
5. There are no facilities that are currently inactive.
6. In addition to the above, major rented and leased facilities and equipment include the following.

Name	Number of units	Lease period (years)	Annual lease payment (Millions of yen)	Balance of lease contracts (Millions of yen)
Copiers and office equipment, etc.	3	5	1	3

(2) Domestic subsidiaries

JINS Inc.

As of August 31, 2024

Region (location)		Name of segment	Sales floor area (m^2)	Details of facilities	Book value (Millions of yen)						Number of employees (persons)
					Buildings and structures	Tools, furniture and fixtures	Land (area m^2)	Leased assets	Other	Total	
Tokyo head office (Chiyoda-ku, Tokyo)		Domestic eyewear business	-	Office	3	14	-	12	520	550	282
Kashiwa warehouse (Kashiwa-shi, Chiba)		Domestic eyewear business	1,448.60	Plant and office	21	2	-	37	18	80	9
Hokkaido region	17 stores	Domestic eyewear business	2,385.02	Store	370	15	-	-	-	385	54
Tohoku region	34 stores	Domestic eyewear business	4,901.65	Store	639	28	- (546.00)	-	-	668	101
Kanto region	211 stores	Domestic eyewear business	26,622.74	Stores, etc.	3,511	161	-(10,217.99)	23	294	3,990	797
Chubu region	78 stores	Domestic eyewear business	11,461.20	Store Office	1,497	78	- (1,396.44)	4	-	1,579	242
Kinki region	71 stores	Domestic eyewear business	9,228.46	Store Office	973	41	- (713.89)	-	14	1,028	257
Chugoku-Shikoku region	36 stores	Domestic eyewear business	5,321.38	Store	547	23	- (439.43)	-	-	571	108
Kyushu-Okinawa region	48 stores	Domestic eyewear business	6,736.33	Store Office	791	41	-	-	0	833	157
Total			68,105.38	-	8,356	407	- (13,313.75)	78	847	9,689	2,007

(Notes) 1. "Other" in the book value refers to machinery and equipment, software, etc.
2. The book value does not include the amount of construction in progress and software in progress.
3. The book value is the amount after impairment loss is recognized.
4. Of the above land, the figures in parentheses indicate the land area under lease (including land for parking lots).
5. The number of employees above is the number of people in employment and excludes those seconded from the Company to other companies and includes those seconded from other companies to the Company.
6. There are no facilities that are currently inactive.
7. In addition to the above, major rented and leased facilities and equipment include the following.

Name	Number of units	Lease period (years)	Annual lease payment (Millions of yen)	Balance of lease contracts (Millions of yen)
Vision tester, Lens edging machine and other ophthalmic equipment	4,005	5	781	2,156
Interior, furniture, etc.	105	5	12	28
Copiers and office equipment, etc.	3	5	0	1

(3) Overseas subsidiaries

As of August 31, 2024

Company name	Office name (location)	Name of segment	Sales floor area (m^2)	Details of facilities	Book value (Millions of yen)					Number of employees (persons)
					Buildings and structures	Tools, furniture and fixtures	Leased assets	Other	Total	
JINS SHANGHAI CO., LTD.	Shanghai, China	Overseas eyewear business	16,605.43	Store Office	368	83	401	147	1,000	872
JINS Hong Kong Limited	Hong Kong SAR, China	Overseas eyewear business	951.13	Store Office	19	7	-	-	26	61
JINS TAIWAN CO., LTD.	Taipei, Taiwan	Overseas eyewear business	5,719.12	Store Office	407	192	8	101	708	414
JINS Eyewear US, Inc.	California, U.S.	Overseas eyewear business	1,458.81	Store Office	0	3	17	67	87	53
Total			24,734.49	-	795	285	426	315	1,823	1,400

(Notes) 1. “Other” in the book value refers to software.
2. The book value does not include the amount of construction in progress and software in progress.
3. The book value is the amount after impairment loss is recognized.
4. The number of employees above is the number of people in employment.
5. There are no facilities that are currently inactive.

3. Plan for new installation, disposal, etc. of facilities

(1) New installation of major facilities, etc.

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS Fukui Bell Store (Fukui-shi, Fukui)	Domestic eyewear business	Store	23	1	Self-funding	August 31, 2024	September 2024	Increase in net sales
RIM Perier Chiba Store (Chuo-ku, Chiba-shi, Chiba)	Domestic eyewear business	Store	44	5	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS AEON STYLE Tedako Uranishi Ekimae Store (Urasoe-shi, Okinawa)	Domestic eyewear business	Store	30	5	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS Valor Hashima Inter Store (Hashima-shi, Gifu)	Domestic eyewear business	Store	35	3	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS APiTA Gamagori Store (Gamagori-shi, Aichi)	Domestic eyewear business	Store	40	8	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS KITTE Hakata Store (Hakata-ku, Fukuoka-shi, Fukuoka)	Domestic eyewear business	Store	45	11	Self-funding	September 2024	October 2024	Increase in net sales
JINS AEON Kamiiso Store (Hokuto-shi, Hokkaido)	Domestic eyewear business	Store	29	-	Self-funding	September 2024	October 2024	Increase in net sales
JINS AEON TOWN Ise LaLa Park Store (Ise-shi, Mie)	Domestic eyewear business	Store	37	6	Self-funding	September 2024	October 2024	Increase in net sales
JINS LUMINE Omiya Store (Omiya-ku, Saitama-shi, Saitama)	Domestic eyewear business	Store	35	0	Self-funding	September 2024	October 2024	Increase in net sales
JINS TAKAMATSU ORNE Store (Takamatsu-shi, Kagawa)	Domestic eyewear business	Store	28	3	Self-funding	October 2024	November 2024	Increase in net sales
JINS MITSUI OUTLET PARK MARINE PIA KOBE Store (Tarumi-ku, Kobe-shi, Hyogo)	Domestic eyewear business	Store	35	11	Self-funding	October 2024	November 2024	Increase in net sales
JINS LIVIN Tanashi Store (Nishitokyo-shi, Tokyo)	Domestic eyewear business	Store	53	12	Self-funding	October 2024	November 2024	Increase in net sales
JINS Yodobashi Chiba Store (Chuo-ku, Chiba-shi, Chiba)	Domestic eyewear business	Store	60	3	Self-funding	October 2024	November 2024	Increase in net sales
JINS CAINZ Shirakawa Mall Store (Shirakawa-shi, Fukushima)	Domestic eyewear business	Store	31	-	Self-funding	November 2024	December 2024	Increase in net sales

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS Beijing Ginza Harmony Plaza Store (Beijing, China)	Overseas eyewear business	Store	18	3	Self-funding	July 2024	August 31, 2024	Increase in net sales
JINS Tianjin Longfor Meijiang Paradise Walk Store (Tianjin, China)	Overseas eyewear business	Store	18	2	Self-funding	July 2024	August 31, 2024	Increase in net sales
JINS Shanghai Caohejing Impressions City Store (Shanghai, China)	Overseas eyewear business	Store	18	3	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS Shanghai Huiju Store (Shanghai, China)	Overseas eyewear business	Store	18	3	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS Shanghai CP Jing'an Temple Store (Shanghai, China)	Overseas eyewear business	Store	18	2	Self-funding	September 2024	October 2024	Increase in net sales
JINS Suzhou Joy City Store (Suzhou, Jiangsu province, China)	Overseas eyewear business	Store	18	3	Self-funding	September 2024	October 2024	Increase in net sales
JINS Shanghai World Expo Center Store (Shanghai, China)	Overseas eyewear business	Store	18	1	Self-funding	November 2024	December 2024	Increase in net sales
Shanghai Headquarters (Shanghai, China)	Overseas eyewear business	Office System	32	32	Self-funding	–	–	Improvement of operational efficiency, etc.
JINS Tucheng Yumin Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	40	19	Self-funding	June 2024	July 2024	Increase in net sales
JINS E-Da World Shopping Mall Store (Kaohsiung, Taiwan)	Overseas eyewear business	Store	40	28	Self-funding	June 2024	July 2024	Increase in net sales
JINS Tamsui Eisen Store (Kaohsiung, Taiwan)	Overseas eyewear business	Store	40	43	Self-funding	July 2024	August 31, 2024	Increase in net sales
JINS Xin Dian Xiaobitan Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	40	35	Self-funding	July 2024	August 31, 2024	Increase in net sales
JINS Shizhi Longyan Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	40	20	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS Carrefour Nanzih Store (Kaohsiung, Taiwan)	Overseas eyewear business	Store	40	28	Self-funding	August 31, 2024	September 2024	Increase in net sales
JINS Taroko New Age Shopping Center Store (Hualien, Taiwan)	Overseas eyewear business	Store	40	30	Self-funding	September 2024	October 2024	Increase in net sales
JINS TIGER CITY Shopping Center Store (Taichung City, Taiwan)	Overseas eyewear business	Store	40	29	Self-funding	September 2024	October 2024	Increase in net sales
JINS MITSUI OUTLET PARK Linkou Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	40	46	Self-funding	September 2024	October 2024	Increase in net sales
JINS Lovego Plaza Gangshan Store (Kaohsiung, Taiwan)	Overseas eyewear business	Store	40	28	Self-funding	October 2024	November 2024	Increase in net sales
Kaohsiung Dali Store (Kaohsiung, Taiwan)	Overseas eyewear business	Overseas eyewear business	40	33	Self-funding	October 2024	November 2024	Increase in net sales
Taiwan head office (Taipei, Taiwan)	Overseas eyewear business	System	5	1	Self-funding	–	–	Increase in net sales

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS Abbot Kinney LA Icon Store (California, U.S.)	Overseas eyewear business	Store	186	50	Self-funding	October 2024	November 2024	Increase in net sales
JINS Stones Town Store (California, U.S.)	Overseas eyewear business	Store	186	0	Self-funding	December 2024	January 2025	Increase in net sales
JINS Great mall Store (California, U.S.)	Overseas eyewear business	Store	148	0	Self-funding	March 2025	April 2025	Increase in net sales
U.S. head office (California, U.S.)	Overseas eyewear business	System	201	0	Self-funding	–	–	Increase in net sales
Total		–	1,859	524	–	–	–	–

(Note) Planned investment amount includes leasehold and guarantee deposits.

(2) Renovation of major facilities

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS THE MALL Sendai Nagamachi Store (Taihaku-ku, Sendai-shi, Miyagi)	Domestic eyewear business	Store	39	-	Self-funding	September 2024	October 2024	Increase in net sales
JINS LaLaport FUJIMI Store (Fujimi-shi, Saitama)	Domestic eyewear business	Store	39	-	Self-funding	September 2024	October 2024	Increase in net sales
JINS mallage SHOBU Store (Kuki-shi, Saitama)	Domestic eyewear business	Store	34	-	Self-funding	September 2024	October 2024	Increase in net sales
JINS AEON MALL Kashihara Store (Kashihara-shi, Nara)	Domestic eyewear business	Store	36	-	Self-funding	September 2024	October 2024	Increase in net sales
JINS AEON MALL Kusatsu Store (Kusatsu-shi, Shiga)	Domestic eyewear business	Store	57	-	Self-funding	September 2024	October 2024	Increase in net sales
JINS AEON MALL Shimotsuma Store (Shimotsuma-shi, Ibaraki)	Domestic eyewear business	Store	27	-	Self-funding	October 2024	November 2024	Increase in net sales
JINS HACHIOJI OCTORE Store (Hachioji-shi, Tokyo)	Domestic eyewear business	Store	40	-	Self-funding	November 2024	December 2024	Increase in net sales
JINS Suma PATIO Store (Suma-ku, Kobe-shi, Hyogo)	Domestic eyewear business	Store	24	-	Self-funding	November 2024	December 2024	Increase in net sales
13 other stores	Overseas eyewear business	Store	171	13	Self-funding	June 2024	November 2024	Increase in net sales
Total		–	468	13	–	–	–	–

(3) Disposal of major facilities, etc.

The plan to dispose of equipment and facilities as of August 31, 2024, is mainly related to the renovation of stores to be implemented in the domestic eyewear business for the purpose of improving the efficiency of store operations.

IV. 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)
Share capital	73,920,000
Total	73,920,000

2) Issued shares

Class	As of the end of the fiscal year (shares) (August 31, 2024)	As of the submission date (shares) (November 28, 2024)	Stock exchange on which the Company is listed	Details
Share capital	23,980,000	23,980,000	Tokyo Stock Exchange (Prime Market)	The number of shares constituting one unit is 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) Details of the rights plan

Not applicable.

3) Status of other share acquisition rights, etc.

The Company has issued bonds with share acquisition rights in accordance with the Companies Act.

Euro yen denominated convertible bond-type bonds with share acquisition rights due 2025 of JINS HOLDINGS Inc.	
Date of resolution	February 12, 2020
Number of share acquisition rights (units)*	1,000
Number of treasury share acquisition rights among share acquisition rights (units)*	—
Class, details, and number of shares subject to share acquisition rights (shares)*	Share capital 1,087,311 (Note 1)
Amount to be paid in upon exercise of share acquisition rights (yen)*	9,197 (Note 2)
Exercise period of share acquisition rights*	From March 13, 2020 to February 14, 2025 (Note 3)
Issue price of shares and capitalization amount when shares are issued upon exercise of share acquisition rights (yen)*	Issue price: 9,197 Capitalization amount: 4,599 (Note 4)
Conditions for the exercise of share acquisition rights*	(Note 5)
Matters concerning the transfer of share acquisition rights*	—
Matters concerning the issuance of share acquisition rights in connection with organizational restructuring*	(Note 6)
Details and value of assets to be contributed upon exercise of share acquisition rights*	— (Note 7)
Balance of bonds with share acquisition rights (Millions of yen)*	10,005

* The contents as of the end of the current fiscal year (August 31, 2024) are stated. There are no changes from the end of the current fiscal year to the end of the month prior to the submission date (October 31, 2024).

(Notes) 1. The number of shares of the Company's share capital to be issued by the Company upon exercise of the share acquisition rights described above (hereinafter, the "Share Acquisition Rights") shall be the number obtained by dividing the total face value of the bonds described above (hereinafter, the "Bonds") pertaining to the request by the conversion price set forth in (Note 2) below. However, fractions less than one share shall be rounded down, and no adjustment in cash shall be made.

2. The initial conversion price shall be ¥10,218.

The conversion price shall be adjusted in accordance with the following formula in the event that the Company issues the Company's share capital at a price lower than the market price of the Company's share capital or disposes of the Company's share capital held by the Company after the issuance of the bonds with Share Acquisition Rights described above (hereinafter, the "Bonds with Share Acquisition Rights"). In the following formula, "number of shares already issued" means the total number of shares of the Company's share capital issued (excluding those held by the Company).

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of shares issued or disposed of} \times \text{Amount to be paid in per share}}{\text{Market value}}}{\text{Number of shares already issued} + \text{Number of shares issued or disposed of}}$$

The conversion price shall also be adjusted from time to time in the event of a split or consolidation of the Company's share capital, the issuance of Share Acquisition Rights (including those attached to Bonds with Share Acquisition Rights) that allow the request to issue shares of the Company's share capital at a price lower than the market price of the Company's share capital, or other certain events.

3. Exercise period of the Share Acquisition Rights shall be from March 13, 2020 to February 14, 2025 (local time at the place where the exercise request is accepted). However, the exercise period shall be, (i) in the case of early redemption of the Bonds, until the date that is three business days prior to the redemption date in Tokyo (excluding, however, the Share Acquisition Rights pertaining to the Bonds that are elected not to be early redeemed in the case of early redemption due to a change in the taxation system as set forth in the terms and conditions of the Bonds with Share Acquisition Rights), (ii) in the case of retirement by the purchase of the Bonds, until the time of retirement of the Bonds, and (iii) in the case of a forfeiture of the benefit of the term of the Bonds, until the time of a forfeiture of the benefit of the term. In any of the above cases, the Share Acquisition Rights may not be exercised after February 14, 2025 (local time at the place where the exercise request is accepted).

Notwithstanding the foregoing, if the Company reasonably determines that it is necessary in order to carry out organizational restructuring, etc. of the Company as set forth in the terms and conditions of the Bonds with Share Acquisition Rights, the Share Acquisition Rights may not be exercised during a period within 30 days designated by the Company that ends within 14 days from the day following the effective date of the organizational restructuring, etc. In addition, if the day on which the exercise of the Share Acquisition Rights takes effect (or the next business day in Tokyo if such day is not a business day in Tokyo) is a record date determined by the Company or falls within the period from the day two business days prior in Tokyo (or the day three business days prior in Tokyo if the Shareholder Confirmation Date explained below is not a business day in Tokyo) to any other date determined for the purpose of determining shareholders in connection with Article 151, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares (hereinafter, collectively referred to as the "Shareholder Confirmation Date") to the Shareholder Confirmation Date (or the next business day in Tokyo if the Shareholder Confirmation Date is not a business day in Tokyo), the Share Acquisition Rights may not be exercised. However, if any law or practice relating to the issuance of shares upon exercise of share acquisition rights through the book-entry transfer system under the Act on Book-Entry Transfer of Company Bonds and Shares is changed, the Company may revise the limitation on the period during which the Share Acquisition Rights may be exercised under this paragraph to reflect such change.

4. The amount of share capital to be increased in the event of the issuance of shares upon the exercise of the Share Acquisition Rights shall be the amount obtained by multiplying the maximum amount of increase in share capital, etc. calculated in accordance with the provisions of Article 17 of the Regulation on Corporate Accounting by 0.5, with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen.
5. Partial exercise of each of the Share Acquisition Rights shall not be permitted.
6. If the Company reasonably determines that it is necessary in order to carry out organizational restructuring, etc. of the Company as set forth in the terms and conditions of the Bonds with Share Acquisition Rights, the Share Acquisition Rights may not be exercised during a period within 30 days designated by the Company that ends within 14 days from the day following the effective date of the organizational restructuring, etc.

(a) In the event of organizational restructuring, etc., the Company shall make its best efforts to have the Succeeding Company, etc. (as defined below) succeed to the position as the principal debtor of the Bonds with Share Acquisition Rights in accordance with the terms and conditions of the Bonds with Share Acquisition Rights and issue new share acquisition rights in place of the Share Acquisition Rights. However, such succession and issuance shall not take place unless (i) it is feasible under the laws applicable at the time, (ii) a mechanism for such succession and issuance has already been established or can be established, and (iii) the Company or the Succeeding Company, etc. can implement such succession and issuance without incurring unreasonable costs (including taxes; unreasonableness of the costs shall be determined by the Company) in view of the entirety of the organizational restructuring, etc. In such a case, the Company shall also make its best efforts to ensure that the Succeeding Company, etc. is a listed company in Japan as of the effective date of the organizational restructuring, etc. The obligation of the Company to make efforts described in this item (a) shall not apply to the case where the Company delivers a certificate to a trustee company.

The "Succeeding Company, etc." means the counterparty in the organizational restructuring, etc., which assumes the obligations of the Company with respect to the Bonds with Share Acquisition Rights and/or the Share Acquisition Rights.

(b) The details of the Share Acquisition Rights of the Succeeding Company, etc. to be issued pursuant to the provisions of the item (a) above shall be as follows.

1) Number of Share Acquisition Rights

The number of the share acquisition rights shall be the same as the number of the Share Acquisition Rights pertaining to the Bonds with Share Acquisition Rights remaining immediately before the effective date of the organizational restructuring, etc.

2) Class of shares subject to the Share Acquisition Rights

The shares shall be share capital of the Succeeding Company, etc.

3) Number of shares subject to the Share Acquisition Rights

The number of shares of share capital of the Succeeding Company, etc. to be issued upon exercise of the share acquisition rights of the Succeeding Company, etc. shall be determined by reference to the terms and conditions of the Bonds with Share Acquisition Rights, taking into consideration the conditions, etc. of the organizational restructuring, etc., and shall also be subject to (i) or (ii) below. The conversion price shall be subject to the same adjustment as in 2 above.

(i) In the case of a merger, share exchange, or share transfer, the conversion price shall be set so that the number of shares of share capital of the Succeeding Company, etc. that the holders of the number of shares of share capital of the Company that would be obtained if the Share Acquisition Rights were exercised immediately prior to the effective date of the organizational restructuring, etc. receive in the organizational restructuring, etc. shall be received when the share acquisition rights of the Succeeding Company, etc. are exercised immediately after the effective date of the organizational restructuring, etc. If securities other than share capital or other property of the Succeeding Company, etc. are delivered upon the organizational restructuring, etc., the number of shares of share capital of the Succeeding Company, etc. equal to the number obtained by dividing the value of such securities or property by the market value of the share capital of the Succeeding Company, etc. shall be received together.

(ii) In the event of organizational restructuring, etc. other than the above, the conversion price shall be set so that the same economic benefits as holders of the Bonds with Share Acquisition Rights would receive if they exercised the Share Acquisition Rights immediately prior to the effective date of the organizational restructuring, etc. shall be received when the share acquisition rights of the Succeeding Company, etc. are exercised immediately after the effective date of the organizational restructuring, etc.

4) Details and amount of assets to be contributed upon exercise of the Share Acquisition Rights

Upon exercise of the share acquisition rights of the Succeeding Company, etc., the succeeded Bonds shall be contributed, and the value of such Bonds shall be the same as the face value of the succeeded Bonds.

5) Period during which the Share Acquisition Rights may be exercised

The period during which the share acquisition rights may be exercised shall be from the effective date of the organizational restructuring, etc. (or, if applicable, a date within 14 days after the effective date) until the expiration date of the exercise period of the Share Acquisition Rights as set forth in (6) above.

6) Other conditions for the exercise of the Share Acquisition Rights

Partial exercise of each share acquisition right of the Succeeding Company, etc. shall not be permitted.

7) Share capital and legal capital surplus to be increased in the event of the issuance of shares upon the exercise of the Share Acquisition Rights

The amount of share capital to be increased in the event of the issuance of shares upon the exercise of the share acquisition rights of the Succeeding Company, etc. shall be the amount obtained by multiplying the maximum amount of increase in share capital, etc. calculated in accordance with the provisions of Article 17 of the Regulation on Corporate Accounting by 0.5, with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of legal capital surplus to be increased shall be the amount obtained by subtracting the amount of share capital to be increased from the maximum amount of increase in share capital, etc.

8) In the event of organizational restructuring, etc.

In the event of organizational restructuring, etc. of the Succeeding Company, etc., the same treatment as for the Bonds with Share Acquisition Rights shall be applied.

9) Fractions less than one share resulting from the exercise of Share Acquisition Rights of the Succeeding Company, etc. shall be rounded down, and no adjustment in cash shall be made. The share acquisition rights of the Succeeding Company, etc. cannot be transferred separately from the succeeded Bonds.

(c) In the event that the Company’s obligations under the Bonds and the trust deed are assumed or succeeded to by the Succeeding Company, etc. in accordance with the provisions of the item (a) above, the Company shall, in addition to attaching a guarantee in certain cases as set forth in the terms and conditions of the Bonds with Share Acquisition Rights, comply with the terms and conditions of the Bonds with Share Acquisition Rights.

7. Upon exercise of each of the Share Acquisition Rights, the Bonds pertaining to the Share Acquisition Rights shall be contributed, and the value of the Bonds shall be the same as the face value thereof.

(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 share capital, etc.

Date	Changes in the total number of shares issued (shares)	Balance of the total number of shares issued (shares)	Changes in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
August 8, 2012 (Note 1)	3,000,000	23,480,000	2,300	2,819	2,300	2,774
August 30, 2012 (Note 2)	500,000	23,980,000	383	3,202	383	3,157

(Notes) 1. Paid-in public offering (book-building method offering)

Issue price ¥1,618

Issue par ¥1,533.70

Capitalization amount ¥766.85

2. Paid-in third-party allotment (third-party allotment in connection with the secondary offering by way of over-allotment)

Issue price ¥1,618

Issue par ¥1,533.70

Capitalization amount ¥766.85

Allottee Mizuho Securities Co., Ltd.

(5) Status by type of shareholders

As of August 31, 2024

Classification	Status of shares (the number of shares per unit: 100 shares)								Status of odd-lot shares (shares)
	Government and local municipalities	Domestic financial institutions	Financial instruments business operators	Other domestic corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (persons)	-	13	15	242	163	106	33,885	34,424	-
Number of shares held (units)	-	31,507	1,665	28,704	36,454	263	141,076	239,669	13,100
Percentage of shares held (%)	-	13.14	0.69	11.97	15.21	0.10	58.86	100.00	-

(Notes) 1. 340,064 shares of treasury stock are included as 3,400 units in the item of “Individuals and others” and as 64 shares in the “Status of odd-lot shares.”

2. 300,000 shares (3,000 units) held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the “Stock Benefit Trust (J-ESOP)” are included in “Financial Institutions.”

(6) Status of major shareholders

As of August 31, 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	8,104,238	34.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3 Hamamatsucho 2-chome, Minato-ku, Tokyo	1,902,700	8.05
MARS G.K.	3-1, Kanda Nishiki-cho, Chiyoda-ku, Tokyo	1,200,000	5.08
Jupiter Corporation	3-1, Kanda Nishiki-cho, Chiyoda-ku, Tokyo	600,000	2.54
Venus Corporation	3-1, Kanda Nishiki-cho, Chiyoda-ku, Tokyo	600,000	2.54
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	507,000	2.14
Yutaka Nakamura	Minato-ku, Tokyo	400,000	1.69
Shunichi Katono	Iwaki-shi, Fukushima	346,600	1.47
Custody Bank of Japan, Ltd. (Trust E Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	300,000	1.27
BNP PARIBAS LUXEMBOURG/2S/JASDEC/ JANUS HENDERSON HORIZON FUND	33 RUE DE GASPERICH, L-5 826 HOWALD-HESPERANGE, LUXEMBOURG	297,000	1.26
Total	–	14,257,538	60.32

(Notes) 1. The number of shares held by The Master Trust Bank of Japan, Ltd. of 1,902,700 shares relates to trust operations. These shares include 6,600 shares held in pension trusts, 350,300 shares held in investment trusts, and 1,545,800 shares held in other trusts.

2. The number of shares held by Custody Bank of Japan, Ltd. of 507,000 shares relates to trust operations. These shares include 15,600 shares held in pension trusts, 297,400 shares held in investment trusts, and 194,000 shares held in other trusts.

3. The Company has introduced the "Stock Benefit Trust (J-ESOP)," and Custody Bank of Japan, Ltd. (Trust E Account) holds 300,000 of the Company's shares. The Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) are not included in treasury stock.

4. The number of shares held by officers indicates the actual number of shares held including shares held by the Company's Executive Share Ownership Plan.

5. In the change report (share certificates, etc. subject to special rules) made available for public inspection on September 6, 2024, it is stated that Mizuho Securities Co., Ltd. and its joint holders Asset Management One Co., Ltd. and Mizuho International plc hold the following shares as of August 30, 2024. However, since the Company is unable to confirm the actual number of shares held by them as of August 31, 2024, they are not included in the above status of major shareholders.

The details of the change report (share certificates, etc. subject to special rules) are as follows.

Name	Address	Number of shares held (shares)	Shareholding ratio (%)
Mizuho Securities Co., Ltd.	5-1 Otemachi, 1-chome, Chiyoda-ku, Tokyo	554,945	2.24
Mizuho Trust & Banking Co., Ltd.	8-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	300,000	1.21
Asset Management One Co., Ltd.	8-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	942,600	3.81
Mizuho International (Mizuho International plc)	30 Old Bailey, London, EC4M 7AU, United Kingdom	0	0.00
Total	—	1,797,545	7.27

(Note) The number of shares held and shareholding ratio shown above include the number of latent shares held as a result of holding bonds with share acquisition rights.

(7) Status of voting rights

1) Issued shares

As of August 31, 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.)	Share capital 340,000	—	—
Shares with full voting rights (others)	Share capital 23,626,900	236,269	Number of shares per unit: 100 shares
Odd-lot shares	Share capital 13,100	—	—
Total number of issued shares	23,980,000	—	—
Total voting rights held by shareholders	—	236,269	—

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

2) Treasury stock, etc.

As of August 31, 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	340,064	—	340,064	1.42
Total	—	340,064	—	340,064	1.42

(Note) The 300,000 shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" are not included in treasury stock, etc. above.

2. Status of acquisition of treasury stock, etc.

Class of Shares, etc. Acquisition of share capital as stipulated in Article 155, Item 7 of the Companies Act

(1) Status of acquisition by resolution at the General Meeting of Shareholders

Not applicable.

(2) Status of acquisition by resolution of the Board of Directors

Not applicable.

(3) Details of the acquisition not based on resolution of the General Meeting of Shareholders or the Board of Directors

Classification	Number of shares (shares)	Total amount of value (Millions of yen)
Acquired treasury stock during the current fiscal year	198	0
Acquired treasury stock during the current period	-	-

(Note) Acquired treasury stock during the current period does not include the number of shares acquired through the purchase of odd-lot shares from November 1, 2024, to the date of submission of the Annual Securities Report.

(4) Status of the disposition and holding of acquired treasury stock

Classification	Current fiscal year		Current period	
	Number of shares (shares)	Total amount of disposal value (Millions of yen)	Number of shares (shares)	Total amount of disposal value (Millions of yen)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock disposed of for retirement	-	-	-	-
Acquired treasury stock transferred in connection with a merger, share exchange, share issuance, or company split	-	-	-	-
Other (Contributions to the Stock Benefit Trust (J-ESOP))	300,000	1,383	-	-
Number of treasury stock held	340,064	-	340,064	-

(Notes) 1. The number of treasury stock held during the current period does not include the number of shares acquired through the purchase of odd-lot shares from November 1, 2024, to the date of submission of this Annual Securities Report.

2. The number of treasury stock disposed and held during the current fiscal year and the current period does not include 300,000 shares of the Company held by trusts related to stock-based compensation plans.

3. Dividend policy

Recognizing that a mid- to long-term increase of shareholder value is its most important mandate, the Company pays out an interim dividend and a year-end dividend according to the performance of the first-half period and the second-half period, respectively, aiming for a consolidated dividend payout ratio of 30%, with a basic policy to maintain sufficient retained earnings for supporting future business development as well as to provide continuous and stable dividend payouts for its shareholders.

Dividends from surplus of the Company are paid twice a year as an interim dividend and a year-end dividend as its basic policy. The decision-making body for these dividends is the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends. The Company's Articles of Incorporation stipulate that "the Company may, by resolution of the Board of Directors, pay an interim dividend to shareholders or registered pledgees whose names appear or are recorded in the latest register of shareholders as of the last day of February each year."

(Note) Dividends from surplus whose record date belongs to the current fiscal year are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (yen)
Resolution by the Board of Directors on April 12, 2024	472	20.00
Resolution at the Annual General Meeting of Shareholders on November 28, 2024	969	41.00

4. Status of corporate governance, etc.

(1) Overview of corporate governance

1) Fundamental thought process related to Corporate Governance

Driven by its desire to enrich people's lives and unlock new experiences, the Company has upheld its vision, "Magnify Life", and strived to generate new corporate value for contributing to society. While the environment surrounding the Company is changing rapidly, we intend to capture these changes and promote a sustainable business in international and local societies to fulfill our corporate social responsibility.

To this end, it is essential for the Company to earn the trust of shareholders, customers, and other stakeholders, as well as local society. We believe that strengthening corporate governance is the most important and crucial means of building trustful relationships.

That is why we are proactively carrying out such initiatives as the establishment of supervisory functions to ensure promptness in our decision-making as well as appropriateness and efficiency in the execution of our operations, and the enhancement of internal conformity systems to minimize risks which could cause damage to our corporate value. In order to achieve creation of corporate value over the medium to long term, we will ensure more effective corporate governance by developing an organizational governance system rather than a system supported solely by individual ethics, and establish a sound and transparent management structure.

We also focus on creating an environment for generating new value by implementing efforts to develop human resources with a focus on human capital.

2) Overview of the corporate governance system and reasons for adopting such system

At the 37th Annual General Meeting of Shareholders held on November 28, 2024, a resolution was passed to amend the Articles of Incorporation to transition to a Company with an Audit and Supervisory Committee. As a result, the Company has transitioned from a Company with Board of Auditors to a Company with an Audit and Supervisory Committee as of the same date.

While the environment surrounding the Company is changing rapidly, we intend to capture these changes and promote a sustainable business in international and local societies to fulfill our corporate social responsibility. To this end, we have been actively working to build a sound and transparent management system, including making corporate governance more effective, improving supervisory functions to ensure the speed of decision-making and the appropriateness and efficiency of business execution, and enhancing internal control functions, in order to create medium- to long-term corporate value accompanied by social contribution. The Company has recently transitioned to a Company with an Audit and Supervisory Committee in order to further strengthen the supervisory function of the Board of Directors by the officers in charge of auditing (including outside officers) and to further enhance and strengthen corporate governance.

As of the date of submission of the Annual Securities Report, the Company has five Directors (including three Outside Directors) (excluding Audit and Supervisory Committee members) and three Directors who are Audit and Supervisory Committee members (including three outside Audit and Supervisory Committee members). Outside Directors, while well versed in internal affairs of the Company, make proposals based on their broad knowledge and experience from the neutral and independent standpoint of being outside the Company.

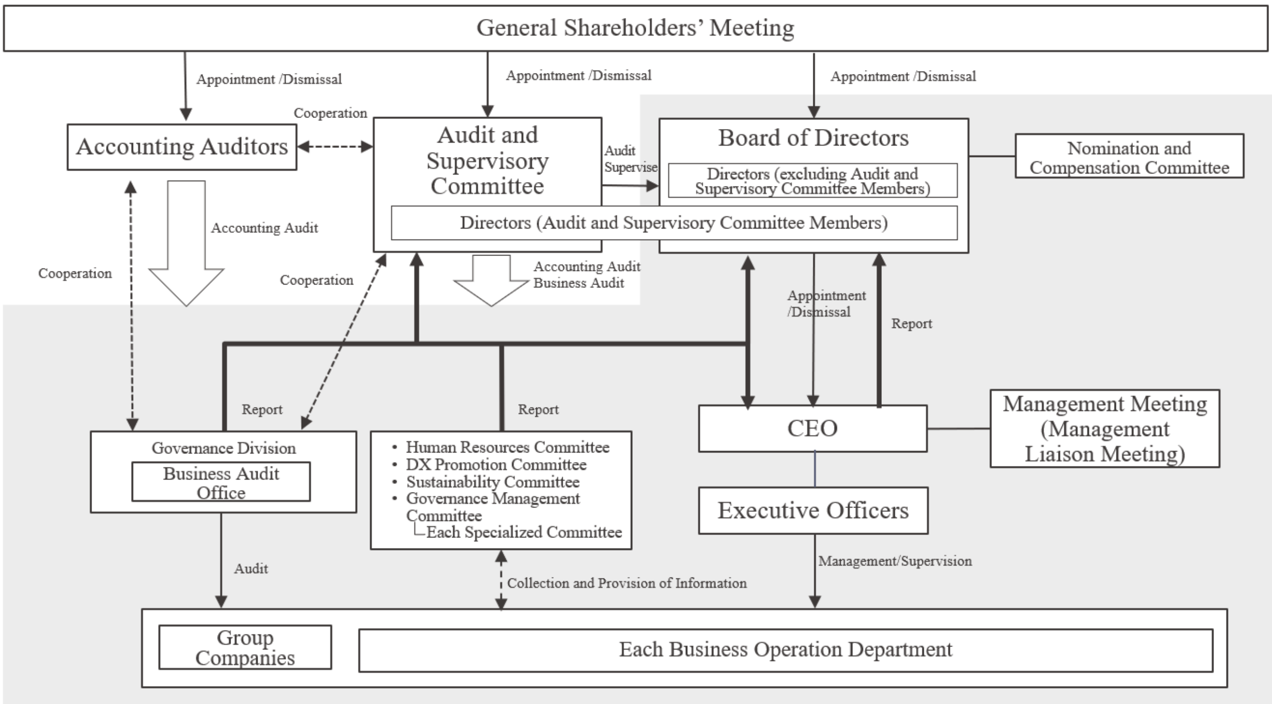
Meetings of the Board of Directors are generally held once a month, and extraordinary meetings of the Board of Directors are held as needed. At meetings of the Board of Directors, important managerial decisions are made, and the state of business execution is reported, with each Director actively participating in discussions.

The Company has established the Nomination and Compensation Committee as a discretionary advisory body to the Board of Directors in order to ensure fairness, transparency, and objectivity in the determination of remuneration policies, systems, and remuneration for Directors, as well as the nomination of Directors, and to enhance the corporate governance system. The Nomination and Compensation Committee is chaired by the Representative Director and consists of Independent Outside Directors as members. In order to ensure the independence and neutrality of the Nomination and Compensation Committee, the majority of its members are Independent Outside Directors.

In addition, the Company has established the Management Committee as a decision-making body, which makes final decisions in accordance with the Business Authority Regulations. The Management Committee deliberates on all important business execution matters, including those to be discussed at the Board of Directors meetings, in order to ensure prompt and appropriate business execution.

In principle, the Audit and Supervisory Committee meets once a month to audit the status of the execution of duties by Directors based on the audit policy and audit plan decided by the Audit and Supervisory Committee. It also works to enhance audits by improving communication among Audit and Supervisory Committee members, for example, exchanging opinions among Audit and Supervisory Committee members and sharing audit implementation status and management information.

The Company has adopted the current system as shown in the diagram below because we believe that the above system ensures appropriate corporate governance.



3) Other matters concerning corporate governance

Status of internal control system

The Company's Board of Directors 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. A summary of its details is as follows.

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

The Company's concept of compliance is based on the "JINS Group Code of Ethical Conduct," which has been established to ensure that all officers and employees working at the Company are proactively refining and improving their organizations, as well as proactively resolving issues from the perspectives of *ethics* and *compliance with laws*. This will enable the Company to build trust and obtain high evaluation from the market.

For the purpose of developing and promoting a company-wide compliance system, the Company has established a Compliance Group as a dedicated department for handling compliance-related issues within the Administration Division. The Compliance Group deals with a wide variety of issues related to compliance, develops an organizational system and regulations, and collects information from across the Company. Consolidation of compliance-related matters occurring at each department to this Group enables a system to be developed for taking prompt and appropriate responses.

In addition, a Risk Management Committee chaired by the General Manager of the Administration Division has been established as a standing committee, at which each department periodically reports on compliance-related events and efforts, thereby further consolidating information.

The Compliance Group provides compliance training to officers and employees on a regular basis. Through compliance training, the Company has officers and employees deepen their understanding of compliance in an effort to instill the JINS Group Code of Ethical Conduct.

Within the Compliance Group, a public-interest whistleblowing contact point has been established as a compliance hotline. Such a system enables the Company to collect information directly from whistleblowers. The Compliance Hotline consists of two internal contact points, namely, the one established within the Compliance Group, and another reporting contact point where no personal information is stored, assuring anonymity of whistleblowers. In addition to these, an independent legal firm has been designated as another contact point outside the Company, which ensures the anonymity of whistleblowers further.

Based on internal rules, a department in charge of auditing periodically conducts 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 in charge of auditing then reports the results of said audits to the Board of Directors, the Audit and Supervisory Committee and the Representative Director.

As measures for eliminating anti-social forces, all officers and employees must comply with the “Guidelines for Code of Ethics.” In the “Guidelines for Code of Ethics,” the Company declares 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 works to eliminate all relationships with anti-social forces.

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

In accordance with the “Document Management Regulations,” the Company records, stores, and manages information related to the execution of duties by Directors in documents or electromagnetic media (hereinafter, the “Documents, etc.”). The “Document Management Regulations” define the scope of documents to be stored, the storage period, the storage location, and other elements of the system for storing and managing the Documents, etc. Directors shall be able to view the Documents, etc., at any time.

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

The Company established the “Risk Management Regulations” for the purpose of developing a management system for preventing risk manifestation, and for responding to manifested risks, thereby contributing to the smooth business operations of the JINS Group. The “Risk Management Regulations” explicitly stipulate departments in charge of each type of risks, including social-related risks, labor risks, compliance risks, risks on products and services, information-related risks, administrative risks, credit risks, system risks, and other risks designated by the General Manager of the Governance Division.

The Company established a Risk Management Group as a dedicated department tasked with managing risks within the Governance Division. In addition, the Company has the Risk Management Committee, Information Security Committee, and Personal Information Committee established as special committees, and to supervise these special committees, a Governance Management Committee chaired by the CEO has been established. Each special committee shall periodically report the contents of its agenda items to the Governance Management Committee, and the Governance Management Committee is required to report the contents of its agenda items periodically to the Board of Directors and the Audit and Supervisory Committee. The Risk Management Committee also receives reports from risk management committees established within overseas group companies and various departments, which facilitates the consolidation of risk-related information from across the Group.

In addition, the Company formulated an “Information Security Policy” as an information security guideline for the entire JINS Group. Based on the Policy, the Company works to maintain and increase the confidentiality, integrity and availability of the information assets it possesses, thereby ensuring a system that lives up to the trust of stakeholders. Within the Governance Division, IT Governance Section has been established as an organ specialized for information security. The Section develops an internal IT security system, takes countermeasures against unauthorized access and hacking, and oversees information security at outsourcing partners as appropriate. To protect personal information in particular, a Privacy Governance Group has been established within the Governance Division as a dedicated team for protecting personal information. The Privacy Governance Group constructs an internal system for protecting personal information, and ensures thorough compliance of laws and regulations regarding the protection of personal information and proper handling of personal information.

In addition, a department in charge of auditing conducts an audit of the management status of risks reported to the Risk Management Committee and thereby risk management which is integrated with internal controls is implemented. Also in the future, in the event that a serious situation occurs in business activities, the Company shall continue to respond promptly and establish a system to minimize loss and damage.

In addition, to ensure business continuity in the event of a management crisis due to the following risks, the Company shall establish “Management Risk Response Guidelines” and develop a risk management system.

1) Risk of serious losses due to disasters and accidents such as earthquakes, floods, and fires

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

3) Risk of serious damage due to incorrect functioning of core IT systems

4) Other risks deemed as critical by the Board of Directors

d. System to ensure that Directors execute their duties efficiently

The Company formulates 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. 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.

In addition, 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, the Management Committee, which consists of executive and other officers and is chaired by the Representative Director, 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.

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

The Company strives to grow and prosper the overall business of the Group. Accordingly, the Company has defined the "Affiliates Management Regulations" for developing and constructing systems for efficient execution of business at its affiliates.

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.

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 Directors, Executive Officers, and management team from the applicable affiliates.

In accordance with the "Risk Management Regulations", the Company develops and constructs a risk management system implemented throughout the Group. Furthermore, in the event of disasters and accidents, at the affiliates as stipulated in the "Management Risk Response Guidelines," the Company promptly establishes a countermeasure headquarters and takes necessary actions.

In addition, 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 Company and its affiliates, and shall ensure that all applicable individuals are aware of the ethical codes.

The department in charge of auditing periodically audits the status of operations at the affiliates.

f. Matters relating to employees in the event that the Audit and Supervisory Committee requests assignment of an employee for assistance in duties

If the Audit and Supervisory Committee requests the assignment of an employee for assisting in the operation of the Audit and Supervisory Committee or in the execution of other duties (hereinafter, the "Assistant to the Audit and Supervisory Committee"), an Assistant to the Audit and Supervisory Committee shall be promptly assigned after consulting with the Audit and Supervisory Committee.

g. Matters related to the independence of Assistant to the Audit and Supervisory Committee from Directors (excluding Audit and Supervisory Committee members) and matters related to ensuring the effectiveness of instructions from the Audit and Supervisory Committee

Consent shall be obtained in advance from the Audit and Supervisory Committee in regards to the transfer or personnel evaluation of an Assistant to the Audit and Supervisory Committee. In addition, the Assistant to the Audit and Supervisory Committee who has received an order necessary for auditing work from the Audit and Supervisory Committee shall possess the authority to view documents, enter the audit site, etc., within the scope necessary to perform the duties of the Assistant to the Audit and Supervisory Committee.

h. System for Directors (excluding Audit and Supervisory Committee members), Executive Officers and other employees to report to the Audit and Supervisory Committee and other systems related to reporting to the Audit and Supervisory Committee

Directors (excluding Audit and Supervisory Committee members) and Executive Officers shall periodically report the status for execution of their duties to the Audit and Supervisory Committee. In addition to legal matters, Directors shall immediately report to the Audit and Supervisory Committee on the details of decisions that may have a significant impact on finance and business.

An employee shall be able to report directly to the Audit and Supervisory Committee in regards to facts, etc., that may cause significant damage to the Company.

From among matters communicated to the whistleblowing contact point, the person in charge of the Compliance Hotline shall communicate with the Audit and Supervisory Committee in regards to matters related to the duties of Directors.

Full-time Audit and Supervisory Committee members shall attend meetings of the Governance Management Committee, Risk Management Committee, etc.

i. System for Directors and employees of affiliates to report to the Audit and Supervisory Committee

Similar to the Directors (excluding Audit and Supervisory Committee members) and employees of the Company, the Directors and employees of the affiliates promptly report to the Audit and Supervisory Committee of the Company if any facts that have a significant impact on each company occur or are likely to occur.

As necessary, the Audit and Supervisory Committee 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.

The Company shall establish a system to ensure that persons who have reported to the Audit and Supervisory Committee as stipulated in "h" and "i" do not incur unfavorable treatment at the Company or the affiliates because of the report.

j. Matters related to the procedures for prepaying or redeeming expenses arising from execution of duties by Audit and Supervisory Committee members, as well as policies related to the processing of expenses or obligations arising from the performance of such duties

When an Audit and Supervisory Committee member requests advance payment of expenses for the execution of duties per Article 399-2, Paragraph 4 of the Companies Act, the Company shall promptly process the request.

k. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

Directors (excluding Audit and Supervisory Committee members) and employees of the Company and Directors, Auditors, and employees of the affiliates shall actively cooperate with audits by the Audit and Supervisory Committee, report on the status of business operations, and disclose materials related to their duties. In addition, the Audit and Supervisory Committee shall periodically exchange opinions with the Representative Director in order to exchange information and confirm the status of business execution. Furthermore, based on necessary consultation with Accounting Auditors, lawyers, or other external experts, the Audit and Supervisory Committee shall propose important improvements to the Board of Directors.

l. 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 Representative Director to maintain and operate an internal control system for financial reports, and shall work to evaluate and improve said system.

Status of risk management system

With regard to the Company's risk management system, the Company has established basic policies and systems for business risk management in accordance with the Risk Management Regulations and has established the Risk Management Committee in accordance with the Regulations. The Company has a system in place to report to the Governance Management Committee upon receiving reports on risk events in Japan and overseas, and promote risk management integrated with internal control, as well as to minimize loss and damage by taking prompt action in the event of a serious incident in its business activities.

4) Overview of liability limitation agreements

The Company and its Directors (excluding executive Directors) and Accounting Auditor have concluded agreements to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under the agreements is the minimum amount of liability provided for in Article 425, Paragraph 1 of the Companies Act.

This limitation on liability is granted only when the relevant Directors (excluding executive Directors) and Accounting Auditor have executed their duties that caused such liability in good faith and without gross negligence.

5) Other

a) Number of Directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 12 Directors.

b) Requirements for resolution on election of Directors

The Company stipulates in its Articles of Incorporation that resolutions for the election of Directors shall be adopted by a majority of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present, and that resolutions for the election of Directors shall not be adopted by cumulative voting. Such resolutions shall distinguish between Directors who are Audit and Supervisory Committee members and other Directors.

c) Resolution matters of the General Meeting of Shareholders that can be resolved by the Board of Directors

a. Acquisition of treasury stock

The Company's Articles of Incorporation stipulate that the Company may acquire its treasury stock through market transactions, etc. by resolution of the Board of Directors in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act. The purpose of this is to enable the Company to implement a flexible capital policy.

b. Interim dividend

The Company's Articles of Incorporation stipulate that the Company may pay dividends from surplus (interim dividends) by resolution of the Board of Directors in accordance with the provisions of Article 454, Paragraph 5 of the Companies Act. The purpose of this is to enable the Company to return profits to shareholders flexibly.

c. Exemption from liability of Directors

In order to ensure that Directors can sufficiently fulfill their expected roles, the Company stipulates in its Articles of Incorporation that the liability of Directors (including those who were Directors) under Article 423, Paragraph 1 of the Companies Act may be exempted by resolution of the Board of Directors to the extent permitted by laws and regulations.

d) Requirements for special resolutions at the General Meeting of Shareholders

The Company stipulates in its Articles of Incorporation that the requirements for special resolutions at the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be met by two-thirds or more of the voting rights of the shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present. The purpose of this is to ensure the smooth operation of the General Meeting of Shareholders by relaxing the quorum for special resolutions at the General Meeting of Shareholders.

6) Status of activities of the Board of Directors

Board of Directors meetings were held 15 times in the current fiscal year, and attendance are as follows.

Title and position	Name	Attendance at meetings of the Board of Directors
President and CEO	Hitoshi Tanaka	15/15 (100%)
Director	Ryo Tanaka	15/15 (100%)
Outside Director	Noboru Kotani	15/15 (100%)
Outside Director	Jiro Kokuryo	12/15 (80%)
Outside Director	Chiaki Hayashi	14/15 (93%)
Outside Full-time Auditor	Masatoshi Arimura	15/15 (100%)
Outside Auditor	Tsuguya Ota	15/15 (100%)
Outside Auditor	Tetsuya Oi	15/15 (100%)

The main matters for discussion at Board of Directors meetings include the business plan, system investment, investment to open stores, contributions, global business, and dissolution of subsidiaries.

7) Status of activities of the Nomination and Compensation Committee

One Nomination and Compensation Committee meeting was held in the current fiscal year, and attendance are as follows.

Title and position	Name	Attendance at meetings of the Board of Directors
President and CEO	Hitoshi Tanaka	1/1 (100%)
Outside Director	Noboru Kotani	1/1 (100%)
Outside Director	Jiro Kokuryo	1/1 (100%)
Outside Director	Chiaki Hayashi	1/1 (100%)

The main matters for discussion at the Nomination and Compensation Committee meeting include remuneration for Directors, reports on remuneration for Auditors, and the appointment of Executive Officers.

8) Status of meetings of other committees

In the current fiscal year, the Management Committee met 24 times, the Personnel Committee and Sustainability Committee twice, the DX Promotion Committee and the Governance Management Committee four times. In addition, the special committees under the Governance Management Committee (Risk Management Committee, Information Security Committee, and Personal Information Committee) each met 12 times.

(2) Status of officers

1) List of officers

7 males, 1 female (percentage of females: 12.5%)

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (shares)
President and CEO	Hitoshi Tanaka	January 25, 1963	April 1981 April 1986 April 1987 July 1988 June 2011 September 2012 February 2013 February 2013 December 2013 May 2015 June 2015 June 2015 May 2018 December 2018 December 2018 June 2021 October 2022 December 2023	Joined Maebashi Shinkin Bank (currently Shinonome Shinkin Bank) Joined Studio Clip Co., Ltd. Established Jin Products, a manufacturer and wholesaler of clothing and accessories Established JIN Ltd. (currently JINS HOLDINGS Inc.) and assumed the position of President and Representative Director (incumbent) President and CEO, Brand New Day Co., Ltd. Chairman, JINS SHENYANG CO., LTD. Chairman, JINS SHANGHAI CO., LTD. (incumbent) Chairman, JINS BEIJING CO., LTD. CEO, JINS US Holdings, Inc. (incumbent) Representative Director, JINS norma CO., LTD. (incumbent) Director, JINS TAIWAN CO., LTD. Outside Director, Oisix Inc. (currently Oisix ra daichi Inc.) (incumbent) President and CEO, JINS Japan Co., Ltd. (currently JINS Inc.) President and CEO, Think Lab Inc. Chairman, JINS TAIWAN CO., LTD. (incumbent) Outside Director, Japan Communications Inc. (incumbent) Outside Director, Mebuku Ground Inc. (incumbent) Director, JINS Inc. (incumbent)	(Note 5)	8,104,238
Executive Vice President	Ryo Tanaka	August 6, 1985	April 2008 March 2011 September 2012 April 2017 September 2017 December 2020 November 2021 October 2022 November 2022 January 2023 January 2023 December 2023	Joined Mizuho Bank, Ltd. Joined Brand New Day Inc. Division Director, Brand New Day Inc. Joined the Company General Manager, Brand Management Office, the Company Executive Officer (in charge of the domestic eyewear business), the Company (incumbent) Director, the Company Director, Yamato Technical Co., Ltd. (incumbent) Executive Vice President, the Company (incumbent) Director, JINS SHANGHAI CO., LTD. (incumbent) CFO, JINS US Holdings, Inc. (incumbent) President and Representative Director, JINS Inc. (incumbent)	(Note 5)	200,317

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (shares)
Director	Noboru Kotani	November 13, 1956	April 1981 June 2000 March 2005 June 2005 November 2006 March 2013 March 2018 June 2022	Joined Boston Consulting Group K.K. Representative Director, Dream Incubator Inc. Representative Director, Vehicle Inc. (incumbent) Outside Director, Combi Corporation Outside Director, the Company (incumbent) Outside Director, SanBio, Inc. (incumbent) Outside Director, Medley, Inc. (incumbent) Outside Director, Santen Pharmaceutical Co., Ltd. (incumbent)	(Note 5)	20,000
Director	Jiro Kokuryo	July 19, 1959	April 1982 June 1992 April 1993 April 2000 April 2003 May 2005 April 2006 April 2009 May 2013 November 2017 July 2019 August 31, 2022 October 2022	Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) Doctor of Business Administration, Harvard University Associate Professor, Graduate School of Business Administration, Keio University Professor, Graduate School of Business Administration, Keio University Professor, Faculty of Environmental Information, Keio University Executive Director, Keio Research Institute at SFC Professor, Faculty of Policy Management, Keio University (incumbent) Dean, Faculty of Policy Management, Keio University Executive Director, Keio University Outside Director, the Company (incumbent) Outside Director, QON Inc. (incumbent) Outside Director, Hacobu, Inc. (incumbent) Outside Director, Mebuku Ground Inc. (incumbent)	(Note 5)	1,379
Director	Chiaki Hayashi	August 8, 1971	April 1994 June 1999 February 2000 April 2012 April 2014 April 2019 March 2020 October 2020 February 2021 November 2021 August 31, 2022 September 2022 June 2024	Joined Kao Corporation Joined New York Bureau, K.K. Kyodo News Established Loftwork Inc. as Representative Director Assistant Director, MIT Media Lab Chief Executive Officer, Hidakuma Co., Ltd. Chairperson, Hidakuma Co., Ltd. (incumbent) Outside Director, Pigeon Corporation (incumbent) Outside Director, Yayoi Co., Ltd. (incumbent) Chairman of the Board of Directors, Loftwork Inc. Outside Director, the Company (incumbent) Established Hachi Hachi Inc. as Representative Director (incumbent) Established Q0 Inc. as Representative Director (incumbent) Director, Consumer Co-operative Co-op Sapporo (incumbent)	(Note 5)	158

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (shares)
Director (Audit and Supervisory Committee Member)	Masatoshi Arimura	January 13, 1958	April 1982 January 2009 June 2013 June 2014 June 2019 November 2020 July 2021 October 2022 January 2023	Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) Director, SMBC Loan Advisor Co., Ltd. Director, SMBC Guarantee Co., Ltd. Outside Auditor, SMBC Green Service Co., Ltd. Senior Managing Director, SMBC Guarantee Co., Ltd. Outside Auditor, the Company (incumbent) Auditor, JINS SHANGHAI CO., LTD. (incumbent) Auditor, Yamato Technical Co., Ltd. (incumbent) Auditor, JINS TAIWAN CO., LTD. (incumbent)	(Note 6)	47
Director (Audit and Supervisory Committee Member) (part-time)	Tetsuya Oi	January 5, 1972	October 2001 August 2007 January 2011 November 2013 July 2014 September 2016 December 2019 July 2022	Registered as Attorney-at-law, joined TMI Associates Trainee at Carlsmith Ball LLP (U.S.) Partner, TMI Associates (incumbent) Outside Auditor, the Company (incumbent) External Audit & Supervisory Board Member, MarketEnterprise Co., Ltd. (incumbent) Outside Director of Audit and Supervisory Committee, Techfirm Holdings Inc. (incumbent) Representative Director, TMI PRIVACY AND SECURITY Co., Ltd. (incumbent) Outside Director (audit and supervisory committee member), IMAGE MAGIC Inc. (incumbent)	(Note 6)	-
Director (Audit and Supervisory Committee Member) (part-time)	Tsuguya Ota	December 16, 1975	April 1998 October 2001 February 2005 March 2005 March 2006 June 2006 October 2015 November 2017	Joined Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.) Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC.) President, Spiralll & Company Y.K. (currently Spiralll & Company K.K.) (incumbent) Registered as a certified public accountant Opened Ota Tsuguya Certified Public Accountants Office Registered as a certified public tax accountant Senior Partner, Certified Public Tax Accountants Firm Spiralll (incumbent) Auditor, Estore Corporation Outside Auditor, the Company (incumbent)	(Note 6)	358
						8,326,497

(Notes) 1. Directors Mr. Noboru Kotani, Mr. Jiro Kokuryo, and Ms. Chiaki Hayashi are Outside Directors.

2. Directors (Audit and Supervisory Committee members) Mr. Masatoshi Arimura, Mr. Tetsuya Oi, and Mr. Tsuguya Ota are Outside Directors.

3. Mr. Ryo Tanaka, Director, is a relative within the second degree of kinship of Mr. Hitoshi Tanaka, President and CEO.

4. The Company introduced the executive officer system on December 1, 2006.
As of the date of submission of this document, there are 12 Executive Officers: Mr. Hitoshi Tanaka and Mr. Ryo Tanaka, who are Directors, and Mr. Motoaki Nakatani (Managing Executive Officer), Mr. Maki Ube (Managing Executive Officer), Mr. Katsumi Kubota (Managing Executive Officer), Ms. Ming-Chi Chiou (Managing Executive Officer), Mr. Yasuhiro Hayashi (Managing Executive Officer), Mr. Mikiya Yamawaki (Executive Officer), Mr. Hiroyuki Kondo (Executive Officer), Mr. Yukinori Arakawa (Executive Officer), Mr. Shingo Kobayashi (Executive Officer), and Mr. Shinichiro Matsuda (Executive Officer) who are not Directors.

5. The term of office is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended August 2024 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending August 2025.

6. The term of office is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended August 2024 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending August 2026.

7. The number of shares of the Company held by Directors includes the number of shares held by the Company’s Executive Share Ownership Plan as of August 31, 2024.

2) Status of Outside officers

As of the date of submission of the Annual Securities Report, the Company has three Outside Directors (excluding Directors who are Audit and Supervisory Committee members) and three Outside Directors who are Audit and Supervisory Committee members. Mr. Noboru Kotani, an Outside Director, holds 20,000 shares, Mr. Jiro Kokuryo, an Outside Director, holds 1,379 shares, Ms. Chiaki Hayashi, an Outside Director, holds 158 shares, Mr. Masatoshi Arimura, an Outside Director (Audit and Supervisory Committee member), holds 47 shares, and Mr. Tsuguya Ota, an Outside Director (Audit and Supervisory Committee member) holds 358 shares of the Company’s stock, but there are no other personal, capital, business, or other interests between the Company and each Outside Director.

In addition, the Company has entered into a legal advisory agreement with TMI Associates, to which Mr. Tetsuya Oi, an Outside Audit and Supervisory Committee member, belongs, and the Company pays remuneration to TMI Associates based on the legal advisory agreement, but the total amount of the remuneration for the current consolidated fiscal year is small, less than 1.0% of the total selling, general and administrative expenses, and therefore not material. There are no other personal, capital, business, or other interests between the Company and Mr. Tetsuya Oi.

As stated above, there are no special interests between the Company and each Outside Director.

The Company expects the check and balance function to enhance the appropriateness and efficiency of the execution of duties by Directors, as the functions and roles of the Outside Directors in corporate governance. The Company has designated Mr. Noboru Kotani, Outside Director, Mr. Jiro Kokuryo, Outside Director, Ms. Chiaki Hayashi, Outside Director, Mr. Tetsuya Oi, Outside Audit and Supervisory Committee member, and Mr. Tsuguya Ota, Outside Audit and Supervisory Committee member, as independent officers in accordance with the provisions of the Tokyo Stock Exchange and notified the Exchange of their designation, as they are highly independent and there is no risk of conflict of interest with general shareholders.

Each Outside Director has a wealth of experience, insight, and expertise, and through his or her attendance at meetings of the Board of Directors, he or she makes points and proposals to the Company’s management from an objective standpoint, and supervises, advises, and audits decision-making regarding the execution of the Company’s business.

Outside Directors strive to improve the efficiency and effectiveness of operations by exchanging information with internal Directors at Board of Directors meetings.

Directors who are Outside Audit and Supervisory Committee members strive to improve the efficiency and effectiveness of audits by regularly exchanging information with the Company’s Internal Audit Division and Accounting Auditor and collaborating with them.

The Internal Audit Division regularly exchanges opinions with the Auditors and Accounting Auditor, and reports on the results of internal audits, the status of internal controls, and other necessary information in response to requests from the Outside Auditors.

For the appointment of Outside Directors, the Company refers to the judgment criteria stipulated by the Tokyo Stock Exchange in its “Guidelines concerning Listed Company Compliance, etc.” as one of the conditions for selecting candidates.

(3) Status of audit

1) Status of audit by the Audit and Supervisory Committee

With the approval of the 37th Annual General Meeting of Shareholders held on November 28, 2024, the Company transitioned to a Company with an Audit and Supervisory Committee.

The Audit and Supervisory Committee meets once a month in principle and is composed of three Directors who are Audit and Supervisory Committee members, all of whom are Outside Directors. The Audit and Supervisory Committee will conduct audits on the status of the execution of duties by Directors based on the audit policy and audit plan determined by the Audit and Supervisory Committee.

2) Status of audits by Auditors

This section describes the status of activities during the current fiscal year, before the transition to a Company with an Audit and Supervisory Committee.

The Board of Auditors convened regular monthly meetings and extraordinary meetings as necessary, with a total of 14 meetings convened during the current fiscal year. The Board of Auditors consists of three members, one full-time and two part-time Auditors, all of whom are Outside Auditors. The attendance of each Auditor at the meetings of the Board of Auditors and the Board of Directors is as follows. Of the following, Mr. Tetsuya Oi, a part-time Auditor, has considerable knowledge of legal affairs and IT based on his long years of experience as a lawyer. Mr. Tsuguya Ota, also a part-time Auditor, has considerable knowledge of finance and accounting based on his long years of experience as a certified public accountant.

Title and position	Name	Attendance at meetings of the Board of Auditors	Attendance at meetings of the Board of Directors
Full-time Auditor (Outside)	Masatoshi Arimura	14/14 (100%)	15/15 (100%)
Part-time Auditor (Outside)	Tetsuya Oi	14/14 (100%)	15/15 (100%)
Part-time Auditor (Outside)	Tsuguya Ota	14/14 (100%)	15/15 (100%)

The main matters to be discussed by the Board of Auditors are the formulation of audit policies and plans, determination of the division of duties for each Auditor, formulation of audit reports, evaluation of the Accounting Auditor and determination of reappointment of the Accounting Auditor, determination of the appropriateness of consenting to the amount of remuneration for the Accounting Auditor, determination of the appropriateness of the business report, determination of the appropriateness of the proposals for the General Meeting of Shareholders, and determination of the appropriateness of the execution of duties by the Directors.

Full-time Auditors attend important meetings, such as meetings of the Holdings Management Committee, internal audit reporting meetings, the Governance Management Committee meetings, other meetings at various committees, and head office staff meetings. In addition, full-time Auditors hold regular monthly meetings with the Internal Audit Division, such as each team in the Governance Division to understand the details of the execution of duties by the business execution line and the establishment and operation of the internal control system. Full-time Auditors then report these to the Board of Auditors and hold discussions on the existence of management problems and issues.

In addition to participating in discussions at the Board of Auditors' meetings related to the above, each Auditor attends meetings of the Board of Directors and expresses his or her opinions as necessary, scrutinizes the decision-making process and results, and directly confirms the management's views on important issues at regular meetings of the Representative Director. In addition, each Auditor hears an accounting audit plan from the Accounting Auditor at the beginning of the fiscal year, receives review reports during the fiscal year and an audit report at the end of the fiscal year, and judges the appropriateness of the method and results of the accounting audit.

3) Status of internal audits

This section describes the status of activities during the current fiscal year, before the transition to a Company with an Audit and Supervisory Committee.

The Governance Management Division and Internal Audit Division have been established under the Governance Division, which oversees the improvement of corporate governance for the entire Group, and in addition to supervising risk management and governance for the entire Group, conducts audits of the status of business execution at stores and other organizations based on audit plans. The results of internal audits are reported to the Board of Directors, the Board of Auditors, and the Representative

Director.

In addition, the Internal Audit Division, Auditors, and the Accounting Auditor regularly exchange information and opinions on audit plans, the status of development and operation of internal controls, audit issues, and other important matters in an effort to share information and strengthen cooperation among the three parties.

Follow-ups are undertaken after the improvement instructions to audited departments have carried out in order to ensure the effectiveness of audits. In addition, improvements have been made, such as initiatives to standardize audit quality through systematizing audit procedures and introducing quantitative indicators to selection criteria for stores that are audited.

4) Status of accounting audit

This section describes the status of activities during the current fiscal year, before the transition to a Company with an Audit and Supervisory Committee.

a. Name of auditing firm

Ernst & Young ShinNihon LLC

b. Continuous audit period

21 years

The above continuous audit period is the period within the scope of the Company's investigation, and the actual continuous audit period may be longer than the above period.

c. Certified public accountants

Yoshihisa Shibayama

Rentaro Miki

d. Composition of assistants for audit work

5 certified public accountants and 18 others

e. Selection policy and reasons for the selection of the auditing firm

The Board of Auditors of the Company confirms the independence, the audit system, and the implementation and quality of the audit of the Accounting Auditor. As a result, the Company has determined that it is appropriate to appoint Ernst & Young ShinNihon LLC, taking into consideration the evaluation of independence, expertise, and appropriateness, etc. comprehensively. If the Board of Auditors determines that it is necessary to do so, such as when there is a hindrance to the execution of duties by the Accounting Auditor, the Board of Auditors determines the details of the proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders. In the event that the Accounting Auditor is found to fall under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed with the unanimous consent of the Auditors. In this case, the Auditor selected by the Board of Auditors shall report the dismissal of the Accounting Auditor and the reasons thereof at the first General Meeting of Shareholders to be convened after the dismissal.

f. Evaluation of the auditing firm by the Auditors and the Board of Auditors

The Auditors and the Board of Auditors evaluate the auditing firm, have effective communication with it, exchange opinions, and understand the audit status in a timely and appropriate manner. As a result, it has been confirmed that the accounting audit by the auditing firm is functioning effectively and is being conducted appropriately.

5) Details of audit remuneration, etc.

This section describes the status of activities during the current fiscal year, before the transition to a Company with an Audit and Supervisory Committee.

a. Details of remuneration to auditing certified public accountants, etc.

Classification	Previous consolidated fiscal year		Consolidated fiscal year under review	
	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit services (Millions of yen)	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit services (Millions of yen)
Submitting company	58	–	58	–
Consolidated subsidiary	–	–	–	–
Total	58	-	58	–

b. Remuneration to Ernst & Young, which belongs to the same network as the Company's auditing certified public accountants, etc. (excluding a. above)

Classification	Previous consolidated fiscal year		Consolidated fiscal year under review	
	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit services (Millions of yen)	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit services (Millions of yen)
Submitting company	–	10	–	–
Consolidated subsidiary	7	–	3	1
Total	7	10	3	1

Non-audit services at the Company include the advisory service for responding to the Task Force on Climate-related Financial Disclosures (TCFD).

Remuneration for non-audit services of consolidated subsidiaries consist of tax-related services.

c. Details of other important remuneration

Not applicable.

d. Policy for determining audit remuneration

Audit remuneration is determined by taking into consideration the number of days of audits, the scale of the Company's business, and the nature of its operations.

e. Reasons for the Board of Auditors' consent to the remuneration, etc. of the Accounting Auditor

With respect to the remuneration to the Accounting Auditor considered by the Board of Directors, after confirming the basis for calculation of the audit hours and unit price of remuneration, etc., based on the status of execution of the audit, the Board of Auditors of the Company has determined that it is appropriate for the maintenance and improvement of audit quality, and has given its consent in accordance with Article 399, Paragraph 1 of the Companies Act.

(4) Remuneration, etc. of officers

1) Matters pertaining to the policy for determining the amount of remuneration, etc. of officers and the method of calculation thereof

(Policy for determining the contents of individual remuneration, etc. for Directors)

At a meeting of the Board of Directors held on February 24, 2021, the Company resolved on a policy for determining the details of individual remuneration, etc. for Directors.

The details of the policy for determining the contents of individual remuneration, etc. for Directors are as follows.

a. Basic policy

As a basic policy, remuneration for the Company’s Directors shall be set at an appropriate level in light of each Director’s responsibilities and level of contribution in order to ensure transparency and objectivity. Specifically, only basic remuneration shall be paid, as a fixed remuneration that comprehensively takes into account of the scope of responsibilities, business results, level of contribution, and other factors, within the scope of the maximum amount of remuneration determined by resolution of the General Meeting of Shareholders.

b. Policy on determination of the amount of individual remuneration, etc. within basic remuneration (monetary remuneration) (Including policy on determination of the timing of providing remuneration, etc. or other conditions)

Basic remuneration for the Company’s Directors shall be monthly fixed remuneration. The amount shall be determined according to factors such as the position, responsibilities, and tenure, upon comprehensively taking into account of levels at other companies, the Company’s business results, and levels of employee salaries.

c. Matters regarding the determination of the contents of individual remuneration, etc. for Directors

With regard to the amounts of individual remuneration, the President and CEO shall be delegated the determination of their specific contents, based on a resolution of the Board of Directors. The delegated authority pertains to the determination of the amount of basic remuneration for each Director within the scope of recommendations by the Nomination and Compensation Committee (comprised of the Representative Director and Outside Directors), which is a discretionary committee established by the Board of Directors as an advisory body.

(Reasons the Board of Directors has determined that the contents of individual remuneration, etc. for Directors for the current fiscal year are in line with said policies)

Regarding contents of individual remuneration for Directors for the fiscal year under review, the President and CEO determined the amount of basic remuneration for each Director based on a resolution by the Board of Directors within the scope of recommendations by the Nomination and Compensation Committee which was established by the Board of Directors as an advisory body under the decision-making policies for individual remuneration for Directors stated in Policy for determining the contents of individual remuneration, etc. for Directors. When determining the contents of recommendations, the Nomination and Compensation Committee deliberates on whether such contents are in line with the above policy. Therefore, the Board of Directors has determined that the contents of individual remuneration for Directors for the fiscal year under review are in line with the above decision-making policies.

The Board of Directors has delegated the determination of the allocation of basic remuneration amount for each Director to Hitoshi Tanaka, President and CEO, within the scope of recommendations by the Nomination and Compensation Committee. The reason for the delegation is because the Board of Directors has determined that the President and CEO is best suited to assess the Company’s overall business results and each Director.

(Remuneration of Auditors)

The amount of remuneration for each Auditor is determined through discussions among the Auditors.

(Resolution by the General Meeting of Shareholders)

At the 37th Annual General Meeting of Shareholders held on November 28, 2024, it was resolved that the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) shall be ¥1,000 million per year (including ¥300 million for Outside Directors). The number of Directors (excluding Directors who are Audit and Supervisory Committee members) as of the conclusion of the Annual General Meeting of Shareholders is five (including three Outside Directors).

At the 37th Annual General Meeting of Shareholders held on November 28, 2024, it was resolved that the maximum amount of remuneration for Directors who are Audit and Supervisory Committee members shall be ¥300 million per year. The number of Directors who are Audit and Supervisory Committee members as of the conclusion of the Annual General Meeting of Shareholders is three.

2) Total amount of remuneration, etc. by classification of officer, total amount of remuneration, etc. by type of remuneration, etc., and number of eligible officers

Classification of officer	Number of eligible officers (persons)	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type of remuneration, etc. (Millions of yen)		
			Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.
Directors (excluding Outside Directors)	2	124	124	–	–
Outside officers	6	48	48	–	–

3) Total amount of consolidated remuneration, etc. for each officer

This information is not provided because there is no person whose total amount of remuneration, etc. for officers is ¥100 million or more.

4) Important employee salaries of officers who concurrently serve as employees

Not applicable.

(5) Status of shareholdings

1) Criteria and approaches for classification of investment shares

The Company classifies investment shares for pure investment purposes and investment shares for purposes other than pure investment (shares for cross-shareholding) as follows.

(Investment shares for pure investment purposes)

Shares held for the purpose of benefiting from changes in the value of the shares or dividends on the shares.

(Investment shares for purposes other than pure investment)

Shares held through policy for the purpose of maintaining and strengthening transactions, necessary for business activities, in order to contribute to the sustainable growth and enhancement of corporate value of the Group.

2) Investment shares held for purposes other than pure investment

a. Method of verifying holding policy and reasonableness of holding, and details of verification by the Board of Directors, etc. of the appropriateness of holding individual issues

Although the Company's basic policy is not to own listed shares for the purpose of cross-shareholdings, this does not apply if such cross-shareholdings are deemed necessary for business activities such as maintaining and strengthening transactions contributing to sustainable growth of the Group and enhancement of corporate value.

Also, the Company determines the appropriateness of holding listed shares as cross-shareholdings by annually assessing each individual issue from both qualitative and quantitative aspects. Qualitatively, we assess the necessity of holding from a perspective of the business strategy including transactions such as product development. Quantitatively, we assess the necessity based on the status of unrealized profit or loss and other factors.

b. Number of issues and amount on the balance sheet

	Number of issues (issues)	Total amount on the balance sheet (Millions of yen)
Unlisted stocks	5	533
Stocks other than unlisted stocks	1	97

(Issues whose number of shares increased during the current fiscal year)

	Number of issues (issues)	Total acquisition cost of the increase in the number of shares (Millions of yen)	Reasons for the increase in the number of shares
Unlisted stocks	1	60	This is due to the exclusion from the scope of affiliate accounted for using the equity method.
Stocks other than unlisted stocks	-	-	–

(Issues whose number of shares decreased during the current fiscal year)

	Number of issues (issues)	Total sales price for the decrease in the number of shares (Millions of yen)
Unlisted stocks	2	525
Stocks other than unlisted stocks	-	-

c. Number of shares and amount on the balance sheet, etc. of specified equity securities and deemed holdings of equity securities by issue

Specified equity securities

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of the business alliance, etc., quantitative effect of holding, and the reason for the increase in the number of shares	Whether the Company's shares are held
	Number of shares (shares)	Number of shares (shares)		
	Amount on the balance sheet (Millions of yen)	Amount on the balance sheet (Millions of yen)		
Tsubota Laboratory, Inc.	220,000	220,000	Held to stabilize the relationship of joint development.	None
	97	121		

(Note) Although it is difficult to describe the quantitative effect of the shareholdings, assessments are made as stated in the above "a. Method of verifying holding policy and reasonableness of holding, and details of verification by the Board of Directors, etc. of the appropriateness of holding individual issues."

Deemed holdings of equity securities

Not applicable.

3) Investment shares held for pure investment purposes

	Current fiscal year		Previous fiscal year	
	Number of issues (issues)	Total amount on the balance sheet (Millions of yen)	Number of issues (issues)	Total amount on the balance sheet (Millions of yen)
Unlisted stocks	3	98	4	98
Other than unlisted stocks	-	-	-	-

	Current fiscal year		
	Total of dividends received (Millions of yen)	Total of gain (loss) on sale (Millions of yen)	Total of valuation gain (loss) (Millions of yen)
Unlisted stocks	-	-	-
Other than unlisted stocks	-	-	-

V. Financial Information

1. Preparation methods of consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of the Company are prepared based on the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976).”

(2) The financial statements of the Company are prepared based on the “Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963.” Hereinafter, the “Ordinance on Financial Statements”).

In addition, the Company, which falls under Special Companies Submitting Financial Statements, prepares non-consolidated financial statements based on provisions of Article 127 of the Ordinance on Financial Statements.

2. Audit certification

The Company’s consolidated financial statements for the consolidated fiscal year (from September 1, 2023 to August 31, 2024) and non-consolidated financial statements for the fiscal year (from September 1, 2023 to August 31, 2024) have been audited by Ernst & Young ShinNihon LLC, pursuant to provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. Special measures for ensuring appropriateness of consolidated financial statements, etc.

The Company takes special measures for ensuring the appropriateness of consolidated financial statements. Specifically, the Company became a member of the Financial Accounting Standards Foundation to build a system to accurately understand contents of accounting standards, etc., or appropriately respond to changes in accounting standards, etc.

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

1) Consolidated balance sheets

(Millions of yen)

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Assets		
Current assets		
Cash and deposits	12,202	18,673
Accounts receivable - trade	5,059	6,572
Merchandise and finished goods	4,107	4,639
Raw materials and supplies	474	424
Work in process	-	43
Other	1,912	1,900
Total current assets	23,757	32,254
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,622	20,155
Accumulated depreciation	(9,600)	(10,694)
Buildings and structures, net	9,022	9,461
Machinery, equipment and vehicles	193	184
Accumulated depreciation	(107)	(134)
Machinery, equipment and vehicles, net	86	50
Tools, furniture and fixtures	3,035	3,504
Accumulated depreciation	(2,250)	(2,774)
Tools, furniture and fixtures, net	785	730
Leased assets	3,433	3,375
Accumulated depreciation	(2,744)	(2,871)
Leased assets, net	688	503
Construction in progress	250	75
Other	287	312
Total property, plant and equipment	11,122	11,133
Intangible assets		
Other	1,991	2,538
Total intangible assets	1,991	2,538
Investments and other assets		
Investment securities	*1 1,012	*1 952
Long-term loans receivable	1,265	1,249
Deferred tax assets	1,520	1,394
Leasehold and guarantee deposits	4,101	4,392
Other	91	130
Total investments and other assets	7,991	8,119
Total non-current assets	21,105	21,791
Total assets	44,863	54,045

(Millions of yen)

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	1,745	2,747
Current portion of convertible bond-type bonds with share acquisition rights	-	10,005
Short-term borrowings	1,887	1,909
Current portion of long-term borrowings	33	20
Lease obligations	353	225
Accounts payable - other, and accrued expenses	4,986	6,211
Income taxes payable	793	2,051
Accrued consumption taxes	525	541
Contract liabilities	514	636
Provision for bonuses	85	429
Provision for product warranties	190	250
Allowance for business structure reform expenses	-	66
Other	152	567
Total current liabilities	11,270	25,663
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	10,015	-
Long-term borrowings	11	24
Provision for share awards	-	70
Lease obligations	215	190
Asset retirement obligations	1,070	1,166
Other	501	1,335
Total non-current liabilities	11,813	2,787
Total liabilities	23,083	28,451
Net assets		
Shareholders’ equity		
Share capital	3,202	3,202
Capital surplus	3,228	3,201
Retained earnings	20,081	22,818
Treasury stock	(5,003)	(4,041)
Total shareholders’ equity	21,509	25,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93	77
Foreign currency translation adjustment	175	335
Total accumulated other comprehensive income	269	413
Total net assets	21,779	25,593
Total liabilities and net assets	44,863	54,045

2) Consolidated statements of income and consolidated statements of comprehensive income

[Consolidated statements of income]

(Millions of yen)

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Net sales	*1 73,264	*1 82,999
Cost of sales	*2 17,001	*2 18,554
Gross profit	56,263	64,444
Selling, general and administrative expenses	*3, *4 51,416	*3, *4 56,608
Operating profit	4,847	7,836
Non-operating income		
Interest income	52	17
Subsidy income	179	32
Gain on reversal of allowance for business structure reform expenses	60	-
Other	67	50
Total non-operating income	360	101
Non-operating expenses		
Interest expenses	141	129
Share of loss of entities accounted for using equity method	1,107	18
Rental expenses on real estate	116	-
Foreign exchange losses	17	31
Other	85	22
Total non-operating expenses	1,468	202
Ordinary profit	3,739	7,735
Extraordinary income		
Gain on sale of investment securities	-	516
Total extraordinary income	-	516
Extraordinary losses		
Loss on retirement of non-current assets	*5 217	*5 274
Impairment loss	*6 511	*6 648
Loss on store closings	*7 45	*7 36
Loss due to temporary store closures	*8 73	*8 -
Provision of allowance for business structure reform expenses	*9 -	*9 61
Loss on valuation of investment securities	4	28
Other	1	0
Total extraordinary losses	854	1,049
Profit before income taxes	2,884	7,202
Income taxes – current	1,280	2,389
Income taxes – deferred	(157)	141
Total income taxes	1,122	2,530
Net income	1,762	4,671
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,762	4,671

[Consolidated statements of comprehensive income]

(Millions of yen)

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Net income	1,762	4,671
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	(16)
Foreign currency translation adjustment	(4)	263
Share of other comprehensive income of entities accounted for using equity method	13	(103)
Total other comprehensive income	*1 (85)	*1 143
Comprehensive income	1,676	4,815
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,676	4,815
Comprehensive income attributable to non-controlling interests	-	-

3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
BALANCE, SEPTEMBER 1, 2022	3,202	3,228	18,623	(5,003)	20,051	189	166	355	20,406
Changes during period									
Dividends of surplus			(303)		(303)				(303)
Profit attributable to owners of parent			1,762		1,762				1,762
Purchase of treasury stock				(0)	(0)				(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)				(0)
Change in scope of consolidation					-				-
Change in scope of equity method					-				-
Disposal of treasury stock to stock granting trust					-				-
Acquisition of treasury stock by stock granting trust					-				-
Transfer of loss on disposal of treasury stock					-				-
Net changes in items other than shareholders' equity						(95)	9	(85)	(85)
Total changes during period	-	(0)	1,458	(0)	1,458	(95)	9	(85)	1,372
BALANCE, AUGUST 31, 2023	3,202	3,228	20,081	(5,003)	21,509	93	175	269	21,779

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
BALANCE, SEPTEMBER 1, 2023	3,202	3,228	20,081	(5,003)	21,509	93	175	269	21,779
Changes during period									
Dividends of surplus			(1,056)		(1,056)				(1,056)
Profit attributable to owners of parent			4,671		4,671				4,671
Purchase of treasury stock				(0)	(0)				(0)
Change in ownership interest of parent due to transactions with non-controlling interests					-				-
Change in scope of consolidation		(5)	(61)		(66)				(66)
Change in scope of equity method			122		122				122
Disposal of treasury stock to stock granting trust		(962)		2,345	1,383				1,383
Acquisition of treasury stock by stock granting trust				(1,383)	(1,383)				(1,383)
Transfer of loss on disposal of treasury stock		940	(940)		-				-
Net changes in items other than shareholders' equity						(16)	159	143	143
Total changes during period	-	(27)	2,736	961	3,670	(16)	159	143	3,814
BALANCE, AUGUST 31, 2024	3,202	3,201	22,818	(4,041)	25,180	77	335	413	25,593

4) Consolidated statements of cash flows

(Millions of yen)

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	2,884	7,202
Depreciation and amortization	2,918	2,926
Impairment loss	511	648
Increase (decrease) in provision for bonuses	17	344
Increase (decrease) in provision for share awards	-	69
Increase (decrease) in provision for product warranties	22	57
Increase (decrease) in allowance for office relocation expenses	(235)	-
Increase (decrease) in allowance for business structure reform expenses	(631)	61
Interest and dividend income	(52)	(17)
Interest expenses	141	129
Foreign exchange losses (gains)	(74)	(27)
Share of loss (gain) of entities accounted for using equity method	1,113	18
Loss on retirement of non-current assets	217	274
Loss on store closings	45	36
Decrease (increase) in trade receivables	(537)	(1,426)
Decrease (increase) in inventories	1,272	(325)
Decrease (increase) in other assets	(97)	(184)
Increase (decrease) in trade payables	(786)	968
Loss (gain) on sale of investment securities	-	(516)
Increase (decrease) in accrued consumption taxes	291	9
Increase (decrease) in accounts payable - other	(33)	653
Increase (decrease) in accrued expenses	187	384
Increase (decrease) in other liabilities	280	891
Other	166	128
Subtotal	7,623	12,306
Interest and dividends received	9	7
Interest paid	(139)	(133)
Income taxes paid	(1,437)	(1,260)
Income taxes refund	-	68
Net cash provided by (used in) operating activities	6,054	10,989
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,916)	(1,886)
Purchase of intangible assets	(678)	(739)
Purchase of investment securities	(56)	(20)
Proceeds from sale of investment securities	-	525
Loan advances	(569)	(77)
Collection of loans receivable	74	85
Payments of leasehold and guarantee deposits	(386)	(427)
Proceeds from refund of leasehold and guarantee deposits	683	154
Net cash provided by (used in) investing activities	(3,849)	(2,385)

(Millions of yen)

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	53	(167)
Repayments of long-term borrowings	(159)	(41)
Payments from redemption of convertible bond-type bonds with share acquisition rights	(10,000)	-
Repayments of installment payables	(689)	(746)
Repayments of lease obligations	(403)	(323)
Purchase of treasury stock	(0)	(1,383)
Proceeds from sale of treasury stock	-	1,383
Dividends paid	(303)	(1,055)
Net cash provided by (used in) financing activities	(11,502)	(2,335)
Effect of exchange rate changes on cash and cash equivalents	69	108
Net increase (decrease) in cash and cash equivalents	(9,227)	6,377
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	*1 12,202	*1 18,673

[Notes]

(Important matters forming the basis of preparation of consolidated financial statements)

1 Scope of consolidation

(1) 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

(2) Change in scope of consolidation

Yamato Technical Co., Ltd. is included in the scope of consolidation from the consolidated fiscal year under review because of its increased importance. During the consolidated fiscal year under review, 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 current consolidated fiscal year. In addition, during the consolidated fiscal year under review, Think Lab Inc. completed liquidation.

(3) Name of unconsolidated subsidiaries

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

(1) Number of affiliates accounted for using the equity method

None.

Effective from the consolidated fiscal year under review, FITTINGBOX.S.A is excluded from the scope of application of the equity method since its equity ratio decreased due to the issuance of new shares.

(2) Name of major unconsolidated subsidiaries not accounted for using the equity method

JINS norma CO., LTD.

(Reasons for not accounting 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 both 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

(1) Basis and method of valuation of important assets

1) Securities

Available-for-sale securities

Securities other than shares, etc., that do not have a market price

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

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

2) 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).

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

1) 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 years to 50 years
Structures	10 years to 20 years
Tools, furniture and fixtures	2 years to 15 years

2) 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).

3) 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.

(3) Basis for recording important provisions

1) Provision for bonuses

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

2) 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.

3) Provision for share awards

To provide for the future delivery of the Company's shares to employees under the Share Awards Regulations, provision for share awards is recorded at an amount of shares projected to be delivered in proportion to the points allocated to employees.

4) Allowance for business structure reform expenses

To provide for expenses and losses arising from business structure reform, allowance for business structure reform expenses is recorded at an amount projected to be incurred.

(4) Basis for recording important 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.

(5) 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. Assets and liabilities mainly of foreign subsidiaries are translated into Japanese yen at the spot exchange rate as of the balance sheet date, and all revenue and expense accounts are translated into Japanese yen at the average exchange rate for the year. Differences arising from such translation are shown as "foreign currency translation adjustment" under net assets.

(6) Scope of funds in consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with high liquidity that are readily convertible into cash and have insignificant risk of changes in value, all of which mature or become due within three months of the date of acquisition.

(Significant accounting estimates)

1. Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statements for the consolidated fiscal year under review

(Millions of yen)

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Deferred tax assets	1,520	1,394

(2) Information on details of the significant accounting estimates for the identified item

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

(1) Amount recorded in the consolidated financial statements for the consolidated fiscal year under review

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Domestic eyewear business	Overseas eyewear business	Total
Property, plant and equipment	8,838	2,030	10,869
Intangible assets	761	249	1,010
Impairment loss	415	96	511

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

(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

(2) Information on details of the significant accounting estimates for the identified item

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 are 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.

(Changes in presentation method)

(Consolidated statements of income)

"Loss on valuation of investment securities" which was included in "Other" under "Extraordinary losses" in the previous consolidated fiscal year, has been presented separately from the consolidated fiscal year under review due to its increased monetary importance.

Loss on valuation of investment securities in the previous consolidated fiscal year was ¥4 million.

(Additional information)

(Transactions to deliver shares of the Company to employees, etc., through a trust)

At the Board of Directors meeting held on January 12, 2024, the Company introduced an incentive plan, the “Stock Benefit Trust (J-ESOP)” (Hereinafter, the “Plan,” and the trust established based on the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. in connection with the Plan, the “Trust”), for delivering its shares to employees of the Company and its subsidiaries (Hereinafter, the “Employees”), and it has conducted transactions in which it delivers shares of the Company to the Employees through the Trusts. The purpose of the Plan is to raise the link between the share price and performance of the Company and the treatment of the Employees, and to share the economic benefits with shareholders, resulting in boosting the motivation and morale of the Employees for improvements in the share price and performance.

1. Outline of the transactions

Under the Plan, in accordance with the Share Awards Regulations established in advance by the Company, the Employees of the Company who meet certain requirements will receive shares of the Company and cash equivalent to the amount of shares of the Company converted at market value (Hereinafter, the “Company Shares, etc.”). The Company awards points to the Employees in accordance with the Company’s performance and other factors, and provides the Company Shares, etc., equivalent to the points awarded when the Employees acquire the right to receive benefits under certain conditions. Shares to be delivered to the Employees shall be acquired including the shares for future delivery with the money set in trust in advance and separately managed as trust assets.

2. Shares of the Company remaining in the Trust

Shares of the Company remaining in the Trust are recorded as treasury stock under the net assets at the book value in the Trust (excluding the amount of incidental expenses). The book value and number of treasury shares are ¥1,383 million and 300,000 shares in the consolidated fiscal year under review.

(Consolidated balance sheet)

*1. Items related to unconsolidated subsidiaries and affiliates were as follows.

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Investment securities (equity securities)	¥160 million	¥90 million

2. 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)	Consolidated fiscal year under review (August 31, 2024)
	¥227 million	¥227 million

3. Overdraft agreements

The Group 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, 2023 and 2024 were as follows.

(1) Yen-denominated transactions

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Total amount of overdraft limit	¥10,800 million	¥10,800 million
Outstanding borrowings	-	-
Unused balance	¥10,800 million	¥10,800 million

(2) Foreign currency-denominated transactions

Chinese Yuan

	Previous consolidated fiscal year (August 31, 2023)		Consolidated fiscal year under review (August 31, 2024)	
Total amount of overdraft limit	¥2,403 million	(CH¥ 120 million)	¥2,448 million	(CH¥ 120 million)
Outstanding borrowings	¥1,840 million	(CH¥ 91 million)	¥1,444 million	(CH¥ 70 million)
Unused balance	¥562 million	(CH¥ 28 million)	¥1,004 million	(CH¥ 49 million)

HK Dollar

	Previous consolidated fiscal year (August 31, 2023)		Consolidated fiscal year under review (August 31, 2024)	
Total amount of overdraft limit	¥279 million	(HKD 15million)	¥278 million	(HKD 15 million)
Outstanding borrowings	¥55 million	(HKD 3million)	¥204 million	(HKD 11 million)
Unused balance	¥223 million	(HKD 12million)	¥74 million	(HKD 4 million)

New Taiwan Dollar

	Previous consolidated fiscal year (August 31, 2023)		Consolidated fiscal year under review (August 31, 2024)	
Total amount of overdraft limit	¥59 million	(HKD 13million)	¥59 million	(HKD 13 million)
Outstanding borrowings	-	(HKD -)	-	(NTD -)
Unused balance	¥59 million	(NTD 13million)	¥59 million	(NTD 13 million)

4. Commitment agreements

Loan commitment agreements

On August 26, 2022, 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.

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Total amount of loan commitments	¥8,000 million	¥8,000 million
Available amount at the year-end	¥4,000 million	¥4,000 million
Outstanding borrowings	-	-
Unused balance	¥4,000 million	¥4,000 million

5. 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.

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	-
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.

Consolidated fiscal year under review (August 31, 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.

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	-
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.

(Consolidated statements of income)

*1. Revenue from contracts with customers

The Company does not disaggregate revenue from contracts with customers and other sources of revenue. The amount of revenue from contracts with customers is presented in "Notes (Segment information, etc.)."

*2. The year-end inventory balances represent the book value after write-downs due to a decline in profitability. Loss on valuation of inventories, included in cost of sales was as follows.

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
	¥1,088 million	¥671 million

*3. Major components and amounts of selling, general and administrative expenses were as follows.

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Salaries and allowances	¥15,164 million	¥16,124 million
Rent expenses on land and buildings	¥11,973 million	¥13,137 million
Advertising expenses	¥2,629 million	¥3,354 million
Depreciation and amortization	¥2,918 million	¥2,896 million

*4. Total amount of research and development expenses included in general and administrative expenses were as follows.

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
	¥60 million	¥124 million

*5. Loss on retirement of non-current assets

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Buildings and structures	¥141 million	¥55 million
Tools, furniture and fixtures	¥25 million	¥12 million
Software	¥0 million	¥94 million
Demolition and removal expenses, etc.	¥51 million	¥11 million
Total	¥217 million	¥274 million

*6. Impairment loss

The Group recorded impairment loss as follows.

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

Usage	Type of asset	Location	Impairment loss (Millions of yen)
Business assets	Software and others	Japan	209
Stores	Buildings and other assets	Japan	205
Stores	Buildings and other assets	China	54
Stores	Leased assets	Taiwan	35
Stores, etc.	Furniture, fixtures and others	United States	6
Total			511

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 deciding to close to their recoverable amounts and recorded the reductions as impairment loss 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 applied discount rate when calculating the value in use is 3.5%.

The details of impairment loss were as follows.

Buildings and structures	¥160	million
Software	¥174	million
Other	¥177	million
Total	¥511	million

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

Usage	Type of asset	Location	Impairment loss (Millions of yen)
Business assets	Buildings and other assets	Japan	78
Stores	Buildings and other assets	Japan	111
Stores, etc.	Buildings and other assets	China	283
Stores	Buildings and other assets	Hong Kong	114
Stores	Buildings and other assets	Taiwan	33
Stores	Furniture, fixtures and others	United States	26
Total			648

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 deciding to close to their recoverable amounts and recorded the reductions as impairment loss 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 applied discount rate when calculating the value in use is 3.8%.

The details of impairment loss were as follows.

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

*7. Loss on store closings

Loss on store closings, which comprises loss on retirement of non-current assets and demolition and removal expenses for stores closed during the year, were as follows.

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Loss on retirement of non-current assets	¥27 million	¥24 million
Demolition and removal expenses, etc.	¥17 million	¥12 million
Total	¥45 million	¥36 million

*8. Loss due to temporary store closures

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

City lockdowns were implemented intermittently in China due to the spread of COVID-19. In response, the Group had to shut down up to 126 stores.

The Group recorded a loss due to temporary store closures of ¥73 million, which includes rent expenses on land and buildings during the store closing periods for the fiscal year ended August 31, 2023.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

Not applicable.

*9. Provision of allowance for business structure reform expenses

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

Not applicable.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

The Group recorded expenses and losses to be incurred associated with the business structure reform of the China business as provision of allowance of ¥61 million.

(Consolidated statements of comprehensive income)

*1. Reclassification adjustments and amount of tax effect relating to other comprehensive income

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Valuation difference on available-for-sale securities:		
Gains (losses) arising during the year	¥(137 million)	¥492 million
Reclassification adjustments	-	¥(515 million)
Before tax effect adjustment	¥(137 million)	¥(23 million)
Amount of tax effect	¥42 million	¥7 million
Valuation difference on available-for-sale securities	¥(95 million)	¥(16 million)
Foreign currency translation adjustment:		
Gains (losses) arising during the year	¥(4 million)	¥263 million
Share of other comprehensive income of entities accounted for using equity method:		
Gains (losses) arising during the year	¥14 million	¥0 million
Reclassification adjustments	¥(0 million)	¥(103 million)
Share of other comprehensive income of entities accounted for using equity method	¥13 million	¥(103 million)
Total other comprehensive income	¥(85 million)	¥143 million

(Consolidated statements of changes in net assets)

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

1. Class and number of shares issued and class and number of shares of treasury stock

Class of shares	September 1, 2022	Increase	Decrease	August 31, 2023
Shares issued: Share capital (shares)	23,980,000	-	-	23,980,000
Treasury stock Share capital (shares)	639,815	51	-	639,866

(Outline of the cause for changes)

Increase due to buybacks of odd-lot shares: 51 shares

2. Information on dividends

(1) Dividends paid

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date
Board of Directors meeting held on April 14, 2023	Share capital	303	13.00	February 28, 2023	May 12, 2023

(2) 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 held on November 29, 2023	Share capital	Retained earnings	583	25.00	August 31, 2023	November 30, 2023

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

1. Class and number of shares issued and class and number of shares of treasury stock

Class of shares	September 1, 2023	Increase	Decrease	August 31, 2024
Shares issued: Share capital (shares)	23,980,000	-	-	23,980,000
Treasury stock Share capital (shares)	639,866	300,198	300,000	640,064

(Notes) 1. The 300,000 shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" are included in the treasury stock of share capital as of the end of the consolidated fiscal year under review.

2. The increase of 300,198 shares in treasury stock of share capital was due to contributions of 300,000 shares to the "Stock Benefit Trust (J-ESOP)" and purchases of fractional shares of 198 shares.

3. The decrease of 300,000 shares in treasury stock of share capital was due to the disposal of 300,000 shares of treasury stock.

2. Information on dividends

(1) 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	Share capital	583	25.00	August 31, 2023	November 30, 2023
Board of Directors meeting held on April 12, 2024	Share capital	472	20.00	February 29, 2024	May 10, 2024

(Note) The ¥6 million of dividends on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" is included in the total amount of dividends determined by a resolution on April 12, 2024.

(2) 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 held on November 28, 2024	Share capital	Retained earnings	969	41.00	August 31, 2024	November 29, 2024

(Note) The ¥12 million of dividends on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" is included in the total amount of dividends to be determined by a resolution on November 28, 2024.

(Consolidated statements of cash flows)

*1. Reconciliation of cash and cash equivalents in the consolidated statements of cash flows and cash and deposits in the consolidated balance sheets as of August 31, 2024 and 2023 was as follows.

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Cash and deposits	¥12,202 million	¥18,673 million
Time deposits with maturities over three months, etc.	-	-
Cash and cash equivalents	¥12,202 million	¥18,673 million

2. Details of important non-financial transactions

The recorded amounts of significant asset retirement obligations are as follows.

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Asset retirement obligations	¥821 million	¥100 million

(Leases)

1. Finance leases

(Lessee contracts)

Finance leases without transfer of ownership

1) Details of leased assets

- Property, plant and equipment

The Group primarily leases lens edging machines, etc.

- Intangible assets

The Group primarily leases software.

2) Method of depreciation for leased assets

The method of depreciation for leased assets is disclosed in “4. Accounting policies, (2) Method of depreciation and amortization of important depreciable and amortizable assets” in Important matters forming the basis of preparation of consolidated financial statements.

2. Operating leases

(Lessee contracts)

Future minimum lease payments under non-cancelable operating leases:

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Due within one year	¥3,032 million	¥3,125 million
Due over one year	¥3,352 million	¥2,055 million
Total	¥6,384 million	¥5,181 million

(Financial instruments)

1. Status of financial instruments

(1) Group policy for 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.

(2) Nature and extent of risks arising from financial instruments, and their risk management

Accounts receivable - trade are exposed to customer credit risk. The Company manages this risk by monitoring the financial position of major counterparties based on the Company's credit management rules and confirming the maturity dates and balances of each counterparty. The Company also hedges the risk of some operating receivables by using trade credit insurance.

Investment securities are the stocks of companies with which the Group has business relationships, and are exposed to market price fluctuation risk. The Company manages this fluctuation risk by monitoring periodically their fair value and the financial standing of issuers (counterparties), among others.

Leasehold and guarantee deposits based on lease agreements for stores, etc., and loans receivables (construction assistance fund receivables) are exposed to counterparty credit risk. The Company manages this risk by monitoring the financial position of major counterparties based on the Company's credit management rules and confirming the balances of each counterparty. The Company also hedges the risk pertaining to some leasehold and guarantee deposits and loans receivables (construction assistance fund receivables) by using trade credit insurance.

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.

(3) Supplementary explanation about fair value of financial instruments

Since variable factors are reflected in estimating the fair value of financial instruments, different assumptions and factors could result in a different fair value.

2. Fair value of financial instruments

The book value and fair value of financial instruments and their difference were as follows.

Previous consolidated fiscal year (August 31, 2023)

	Book value (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities	121	121	-
Available-for-sale securities	121	121	-
(2) Leasehold and guarantee deposits (Note 2)	3,169	2,930	(238)
Total	3,291	3,052	(238)
(1) Convertible bond-type bonds with share acquisition rights	10,015	9,882	(132)
(2) Long-term borrowings	45	45	0
(3) Lease obligations	569	590	21
Total	10,629	10,518	(111)

(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.” The amount of such financial instruments recorded in the consolidated balance sheet is as follows.

Classification	Previous consolidated fiscal year (Millions of yen)
Unlisted stocks, etc.	891

Consolidated fiscal year under review (August 31, 2024)

	Book value (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities	97	97	-
Available-for-sale securities	97	97	-
(2) Leasehold and guarantee deposits (Note 2)	3,337	3,103	(233)
Total	3,434	3,200	(233)
(1) Convertible bond-type bonds with share acquisition rights	10,005	9,913	(91)
(2) Long-term borrowings	45	46	0
(3) Lease obligations	415	425	9
Total	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.” The amount of such financial instruments recorded in the consolidated balance sheet is as follows.

Classification	Consolidated fiscal year under review (Millions of yen)
Unlisted stocks, etc.	855

3. Scheduled redemption of monetary claims and securities with maturities after the balance sheet date.

Previous consolidated fiscal year (August 31, 2023)

	Due in one year or less (Millions of yen)	Due after one year through five years (Millions of yen)	Due after five years through 10 years (Millions of yen)	Due after 10 years (Millions of yen)
Cash and deposits	11,983	-	-	-
Accounts receivable - trade	5,059	-	-	-
Leasehold and guarantee deposits	781	1,314	895	178
Total	17,824	1,314	895	178

Consolidated fiscal year under review (August 31, 2024)

	Due in one year or less (Millions of yen)	Due after one year through five years (Millions of yen)	Due after five years through 10 years (Millions of yen)	Due after 10 years (Millions of yen)
Cash and deposits	18,480	-	-	-
Accounts receivable - trade	6,572	-	-	-
Leasehold and guarantee deposits	982	1,299	948	106
Total	26,035	1,299	948	106

4. Scheduled repayment of bonds, long-term borrowings, lease obligations and interest-bearing debt after the balance sheet date

Previous consolidated fiscal year (August 31, 2023)

	Due in one year or less (Millions of yen)	Due after one year through two years (Millions of yen)	Due after two years through three years (Millions of yen)	Due after three years through four years (Millions of yen)	Due after four years through five years (Millions of yen)	Due after five years (Millions of yen)
Short-term borrowings	1,887	-	-	-	-	-
Convertible bond-type bonds with share acquisition rights	-	10,000	-	-	-	-
Long-term borrowings	33	11	-	-	-	-
Lease obligations	353	105	76	25	8	-
Interest-bearing debt (installment payables)	480	298	145	31	2	-
Total	2,755	10,415	221	56	11	-

Consolidated fiscal year under review (August 31, 2024)

	Due in one year or less (Millions of yen)	Due after one year through two years (Millions of yen)	Due after two years through three years (Millions of yen)	Due after three years through four years (Millions of yen)	Due after four years through five years (Millions of yen)	Due after five years (Millions of yen)
Short-term borrowings	1,909	-	-	-	-	-
Convertible bond-type bonds with share acquisition rights	10,000	-	-	-	-	-
Long-term borrowings	20	10	5	2	2	4
Lease obligations	225	129	47	11	2	-
Interest-bearing debt (installment payables)	514	356	237	199	162	209
Total	12,670	496	290	213	167	214

5. 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.

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

Previous consolidated fiscal year (August 31, 2023)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	121	-	-	121
Total	121	-	-	121

Consolidated fiscal year under review (August 31, 2024)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	97	-	-	97
Total assets	97	-	-	97

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

Previous consolidated fiscal year (August 31, 2023)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Leasehold and guarantee deposits	-	2,930	-	2,930
Total assets	-	2,930	-	2,930
Convertible bond-type bonds with share acquisition rights	-	9,882	-	9,882
Long-term borrowings	-	45	-	45
Lease obligations	-	590	-	590
Total	-	10,518	-	10,518

Consolidated fiscal year under review (August 31, 2024)

Category	Fair value (Millions of yen)			
	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	-	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.

(Securities)

1. Available-for-sale securities

Previous consolidated fiscal year (August 31, 2023)

	Book value (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose book value exceeds the acquisition cost			
Stocks	121	2	118
Subtotal	121	2	118
Securities whose book value does not exceed the acquisition cost			
Stocks	-	-	-
Subtotal	-	-	-
Total	121	2	118

Consolidated fiscal year under review (August 31, 2024)

	Book value (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose book value exceeds the acquisition cost			
Stocks	97	2	94
Subtotal	97	2	94
Securities whose book value does not exceed the acquisition cost			
Stocks	-	-	-
Subtotal	-	-	-
Total	97	2	94

2. Other securities sold during the consolidated fiscal year

Consolidated fiscal year under review (August 31, 2024)

	Amount sold (Millions of yen)	Total of gain on sale (Millions of yen)	Total of loss on sale (Millions of yen)
Stocks	525	516	-
Total	525	516	-

(Derivatives)

Not applicable.

(Employees' severance and retirement benefits)

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

1. Outline of employees' severance and retirement benefits

The Company and certain consolidated subsidiaries provide employees a choice of a defined contribution plan or a prepaid retirement benefit plan.

2. Retirement benefit expenses

Amounts paid to defined contribution plans	¥37 million

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

1. Outline of employees' severance and retirement benefits

The Company and certain consolidated subsidiaries provide employees a choice of a defined contribution plan or a prepaid retirement benefit plan.

2. Retirement benefit expenses

Amounts paid to defined contribution plans	¥34 million

(Stock options)

Not applicable.

(Tax effect accounting)

1. The significant components of deferred tax assets and liabilities

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Deferred tax assets		
Tax loss carryforwards (Note 2)	¥2,277 million	¥2,816 million
Accrued enterprise taxes, not deducted	¥70 million	¥125 million
Loss on valuation of inventories, not deducted	¥364 million	¥280 million
Impairment loss	¥302 million	¥366 million
Asset retirement obligations	¥584 million	¥639 million
Other	¥400 million	¥404 million
Subtotal	¥4,000 million	¥4,632 million
Valuation allowance for tax loss carryforwards (Note 2)	¥(1,867 million)	¥(2,395 million)
Valuation allowance for deductible temporary differences	¥(230 million)	¥(353 million)
Valuation allowance subtotal (Note 1)	¥(2,098 million)	¥(2,748 million)
Total deferred tax assets	¥1,901 million	¥1,884 million
Deferred tax liabilities		
Asset retirement obligations	¥(247 million)	¥(239 million)
Valuation difference on available-for-sale securities	¥(25 million)	¥(17 million)
Other	¥(108 million)	¥(232 million)
Total deferred tax liabilities	¥(380 million)	¥(490 million)
Net deferred tax assets	¥1,520 million	¥1,394 million

(Notes) 1. Valuation allowance increased by ¥649 million. The main reason for this increase was an increase in valuation allowance for tax loss carryforwards.

2. Tax loss carryforwards and related deferred tax assets by expiration period were as follows.

Previous consolidated fiscal year (August 31, 2023)

Classification	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carryforwards (a)	-	-	-	231	-	2,045	¥2,277 million
Valuation allowance	-	-	-	(231)	-	(1,636)	¥(1,867 million)
Deferred tax assets	-	-	-	-	-	394	(b)¥409 million

(a) Tax loss carryforwards represent the amount multiplied by the statutory tax rate.

(b) Deferred tax assets of ¥409 million were recorded on tax loss carryforwards of ¥2,277 million (amount multiplied by the statutory tax rate). This is because they are expected to be recoverable based on the estimated future taxable income.

Consolidated fiscal year under review (August 31, 2024)

Category	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carryforwards (a)	-	-	231	-	154	2,431	¥2,816 million
Valuation allowance	-	-	(231)	-	(154)	(2,009)	¥(2,395 million)
Deferred tax assets	-	-	-	-	-	421	(b)¥421 million

(a) Tax loss carryforwards represent the amount multiplied by the statutory tax rate.

(b) Deferred tax assets of ¥421 million were recorded on tax loss carryforwards of ¥2,816 million (amount multiplied by the statutory tax rate). This is because they are expected to be recoverable based on the estimated future taxable income.

2. Reconciliation between the statutory tax rates and the effective tax rates after the tax effect was as follows.

	Previous consolidated fiscal year (August 31, 2023)	Consolidated fiscal year under review (August 31, 2024)
Statutory tax rate	30.62%	30.62%
(Reconciliation)		
Inhabitant tax on per capita basis	2.45%	1.02 %
Tax credit	(6.40)%	(3.80) %
Share of loss (gain) of entities accounted for using equity method	11.77%	- %
Valuation allowance	8.19%	9.02 %
Temporary differences with investments in subsidiaries	(4.77)%	- %
Other	(2.96)%	(1.73) %
Effective tax rate after tax effect	38.91%	35.13 %

(Accounting for income tax and local income tax or tax effect accounting relating thereto)

Although the Company and its consolidated subsidiaries have applied the non-consolidated taxation system, the Company applied for approval of the group tax sharing system by the end of the consolidated fiscal year under review, and the group tax sharing system will be applied from the following consolidated fiscal year.

From the end of the consolidated fiscal year under review, the Company has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No. 42, August 12, 2021) to the accounting and disclosure related to tax effect accounting for income tax and local income tax.

(Asset retirement obligations)

Asset retirement obligations which are recorded in the consolidated balance sheets

(1) Outline of asset retirement obligations

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

(2) 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.

(3) Changes in asset retirement obligations

	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Balance at the beginning of the year	¥621million	¥1,070million
Increase due to acquisition of property, plant and equipment, etc.	¥61million	¥100million
Unwinding of discounts	¥4million	¥12million
Increase/decrease due to changes in estimates	¥759million	-million
Decrease due to settlement of asset retirement obligations	¥(377million)	¥(15million)
Balance at the end of the year	¥1,070million	¥1,166million

(Real estate for rent)

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

Omitted due to immateriality.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

Omitted due to immateriality.

(Notes on revenue recognition)

1. Information on the disaggregation of revenue from contracts with customers

Information on the disaggregation of revenue from contracts with customers is as presented in “Notes (Segment information, etc.).”

2. Useful information in understanding revenue from contracts with customers

Useful information in understanding revenue is as presented in “4. Accounting policies (4) Basis for recording important revenue and expenses” under “Notes (Important matters forming the basis of preparation of consolidated financial statements).”

3. Reconciliation of satisfaction of performance obligations within contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue arising from customers existing at the end of the consolidated fiscal year under review expected to be recognized in and after the following consolidated fiscal year

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

(1) Balance of contract liabilities, etc.

(Millions of yen)

	Consolidated fiscal year under review
Contract liabilities (beginning balance)	350
Contract liabilities (ending balance)	514

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 consolidated fiscal year under review that was included in the contract liability balance at the beginning of the fiscal year was ¥350 million.

(2) 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.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

(1) Balance of contract liabilities, etc.

(Millions of yen)

	Consolidated fiscal year under review
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 consolidated fiscal year under review that was included in the contract liability balance at the beginning of the fiscal year was ¥514 million.

(2) 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.

(Segment information, etc.)

[Segment information]

1. General information of reportable segments

(1) Method of classifying reportable segments

The Group's reportable segments are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors to decide on the allocation of management resources and assess their performance.

The Group consists of segments by business based on operating companies and regions under the Company which is the holding company that controls the entire Group. The Group has two reportable segments: Domestic eyewear business and Overseas eyewear business.

(2) Type of products and services under reportable segments

The "domestic eyewear business" and "overseas eyewear business" engage in sales mainly of eyewear and overseas subsidiaries are in charge of sales of eyewear via stores, online, and other channels.

2. Measurement method of net sales, profit (loss), assets, and other items by reportable segment

The accounting policies of reportable segments are generally consistent with those disclosed in "Important matters forming the basis of preparation of consolidated financial statements."

Segment profit represents operating profit for the segment. Intersegment sales and transfers are determined primarily based on prevailing market prices.

3. Information about net sales, profit (loss), assets, and other items, and information on disaggregation of revenue by reportable segment

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Consolidated (Note 2)
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Net sales:					
Revenue from contracts with customers	56,144	17,119	73,264	-	73,264
Sales to outside customers	56,144	17,119	73,264	-	73,264
Intersegment sales or transfers	741	3	745	(745)	-
Total	56,886	17,123	74,009	(745)	73,264
Segment profit	4,464	382	4,847	-	4,847
Segment assets	28,353	12,866	41,220	3,643	44,863
Other:					
Depreciation and amortization	2,076	841	2,918	-	2,918
Increase in property, plant and equipment and intangible assets	2,834	1,458	4,293	-	4,293

(Notes) 1. Adjustments of segment assets of ¥3,643 million mainly includes elimination of investments and capital of ¥(6,729) million, elimination of intercompany receivables and payables of ¥(10,259) million, adjustments to allowance for doubtful accounts of ¥449 million, and corporate assets that are not attributable to any reportable segments of ¥20,311 million.

2. Segment profit is reconciled to operating profit in the consolidated statements of income.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Consolidated (Note 2)
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Net sales:					
Revenue from contracts with customers	64,293	18,705	82,999	-	82,999
Sales to outside customers	64,293	18,705	82,999	-	82,999
Intersegment sales or transfers	953	40	994	(994)	-
Total	65,247	18,746	83,993	(994)	82,999
Segment profit	7,791	44	7,836	-	7,836
Segment assets	33,737	13,989	47,727	6,318	54,045
Other:					
Depreciation and amortization	2,046	880	2,926	-	2,926
Increase in property, plant and equipment and intangible assets	3,131	944	4,075	-	4,075

(Notes) 1. Adjustments of segment assets of ¥6,318 million mainly includes elimination of investments and capital of ¥(5,247) million, elimination of intercompany receivables and payables of ¥(9,771) million, adjustments to allowance for doubtful accounts of ¥702 million, and corporate assets that are not attributable to any reportable segments of ¥20,881 million.

2. Segment profit is reconciled to operating profit in the consolidated statements of income.

[Related information]

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

1. Information by product and service

This information is omitted because sales to outside customers under a single category by product and service exceeded 90% of net sales in the consolidated statements of income.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	China	Other	Total
56,144	8,879	8,240	73,264

(Note) Net sales are presented based on the location of customers and classified into countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
9,091	1,214	816	11,122

3. Information by major customer

This information is omitted because the Company does not have any major customers that account for 10% or more of net sales in the consolidated statements of income.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

1. Information by product and service

This information is omitted because sales to outside customers under a single category by product and service exceeded 90% of net sales in the consolidated statements of income.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	China	Other	Total
64,293	9,044	9,660	82,999

(Note) Net sales are presented based on the location of customers and classified into countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
9,591	853	689	11,133

3. Information by major customer

This information is omitted because the Company does not have any major customers that account for 10% or more of net sales in the consolidated statements of income.

[Information about impairment loss by reportable segment]

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Reportable segment			Corporate/ Elimination	Total
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Impairment loss	415	96	511	-	511

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Reportable segment			Corporate/ Elimination	Total
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Impairment loss	190	457	648	-	648

[Information about amortization of goodwill and unamortized balance by reportable segment]

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

Not applicable.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

Not applicable.

[Information about gain on negative goodwill by reportable segment]

Not applicable.

[Related party transactions]

Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)

Omitted due to immateriality.

Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)

Officers and individual major shareholders

Type of asset	Name of the company	Ratio of voting rights held (or indirectly held) (%)	Relations with related party transactions	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at the end of the year (Millions of yen)
Company in which the majority of voting rights are held by its officers and their close relatives	MARS G.K. (Note 1)	(indirectly held) Directly held 5.08	Lease of office and others	Payment of rent and others (Note 2)	12	Leasehold and guarantee deposits	8
						Prepaid expenses	2

Transaction terms and policy for determining such terms

(Notes) 1. Hitoshi Tanaka, officer of the Company, serves as Representative Partner.

2. Rent and others are based on general terms and conditions in consideration of market prices in neighboring areas.

(Per Share Information)

Items	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Net assets per share	¥933.14	¥1,096.57
Basic earnings per share	¥75.50	¥200.17
Diluted earnings per share	¥69.42	¥190.97

(Note) In calculating net assets per share, the Company's shares remaining in the "Stock Benefit Trust (J-ESOP)" and recorded as treasury stock under shareholders' equity are included in the treasury stock to be deducted from total number of issued shares at the end of the period They are also included in the treasury stock to be deducted when calculating average number of shares during the period in calculating basic and diluted earnings per share.

Items	Previous consolidated fiscal year (from September 1, 2022 to August 31, 2023)	Consolidated fiscal year under review (from September 1, 2023 to August 31, 2024)
Basic earnings per share	¥75.50	¥200.17
Profit attributable to owners of parent (Millions of yen)	1,762	4,671
Profit not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to share capital (Millions of yen)	1,762	4,671
Weighted-average number of shares of share capital outstanding during the year (shares)	23,340,152	23,340,061
Diluted earnings per share	¥69.42	¥190.97
Adjustments to profit attributable to owners of parent (Millions of yen)	(30)	(6)
[of which, interest income (after tax effect)] (Millions of yen)	[(30)]	[(6)]
Increase in number of shares of share capital (shares)	1,610,792	1,087,311
[of which, convertible bond-type bonds with share acquisition rights]	(1,610,792)	(1,087,311)
Summary of potential shares not included in calculation of diluted earnings per share due to lack of dilutive effect	-	

(Subsequent events)

Not applicable.

5) Annexed consolidated detailed schedules

[Annexed consolidated detailed schedule of corporate bonds]

Issuer	Description	Issue date	September 1, 2023 (Millions of yen)	August 31, 2024 (Millions of yen)	Average interest rate (%)	Collateral	Due date
JINS HOLDINGS Inc.	Euro yen denominated convertible bond-type bonds with share acquisition rights due 2025	February 28, 2020	10,015	10,005 (10,000)	–	None	February 28, 2025
Total	–	–	10,015	10,005 (10,000)	–	–	–

(Notes) 1. Figures in the parentheses under “August 31, 2024” indicate the amount to be redeemed within one year.

2. The details of convertible bond-type bonds with share acquisition rights were as follows.

	Euro yen denominated convertible bond-type bonds with share acquisition rights due 2025
Details of shares to be issued	Share capital
Issue price of share acquisition rights (yen)	Nil
Issue price of shares (yen)	9,197
Total issue amount (Millions of yen)	10,050
Total amount of shares issued by exercise of share acquisition rights (Millions of yen)	–
Grant ratio of share acquisition rights (%)	100
Exercise period of share acquisition rights	From March 13, 2020 to February 14, 2025

(Note) The assets to be contributed at the exercise of the share acquisition rights shall be the convertible bonds subject to the related share acquisition rights at an amount equivalent to the face value of the convertible bonds.

2. Annual maturities, excluding current portion, of bonds as of August 31, 2024:

Due in one year or less (Millions of yen)	Due after one year through two years (Millions of yen)	Due after two years through three years (Millions of yen)	Due after three years through four years (Millions of yen)	Due after four years through five years (Millions of yen)
10,000	–	–	–	–

[Annexed consolidated detailed schedule of borrowings]

Classification	September 1, 2023 (Millions of yen)	August 31, 2024 (Millions of yen)	Average interest rate (%)	Due date
Short-term borrowings	1,887	1,909	4.33	-
Current portion of long-term borrowings	33	20	3.24	-
Current portion of lease obligations	353	225	3.73	-
Current portion of interest-bearing debt: Installment payables (due in one year or less)	480	514	5.43	-
Long-term borrowings (excluding current portion)	11	24	2.00	September 2025 to December 2033
Lease obligations (excluding current portion)	215	190	2.91	September 2025 to April 2031
Interest-bearing debt (excluding current portion): Installment payables (due after one year)	478	1,166	4.29	September 2025 to June 2031
Total	3,461	4,051	-	-

(Notes) 1. The average interest rates above are calculated using the weighted-average method applicable to the respective year-end balances of short-term and long-term borrowings.

2. Annual maturities, excluding current portion, of long-term borrowings and lease obligations, and interest-bearing debt as of August 31, 2024 were as follows.

(Millions of yen)

Classification	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	10	5	2	2
Lease obligations	129	47	11	2
Interest-bearing debt (installment payables)	356	237	199	162

[Annexed consolidated detailed schedule of asset retirement obligations]

The disclosure is omitted as the items to be disclosed in this schedule are disclosed as notes provided for in Article 15-23 of the Ordinance on Consolidated Financial Statements.

(2) Other

Quarterly information for the consolidated fiscal year under review

(Cumulative period)		First quarter	Second quarter	Third quarter	Consolidated fiscal year under review
Net sales	(Millions of yen)	18,166	38,018	59,163	82,999
Profit before income taxes	(Millions of yen)	1,017	2,522	4,968	7,202
Profit attributable to owners of parent	(Millions of yen)	579	1,556	3,173	4,671
Earnings per share	(yen)	24.83	66.69	135.99	200.17

(Accounting period)		First quarter	Second quarter	Third quarter	Fourth quarter
Earnings (loss) per share	(yen)	24.83	41.85	69.30	64.18

2. Non-consolidated financial statements, etc.

(1) Non-consolidated financial statements

1) Non-consolidated balance sheets

(Millions of yen)

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Assets		
Current assets		
Cash and deposits	4,000	6,632
Prepaid expenses	155	164
Short-term loans receivable from subsidiaries and associates	*1 2,600	*1 3,430
Accounts receivable from subsidiaries and associates - other	*1 760	*1 466
Other	*1 161	*1 146
Allowance for doubtful accounts	(449)	(702)
Total current assets	7,228	10,138
Non-current assets		
Property, plant and equipment		
Buildings	225	282
Structures	2	1
Tools, furniture and fixtures	13	36
Construction in progress	12	3
Total property, plant and equipment	252	324
Intangible assets		
Software	864	1,085
Software in progress	116	559
Total intangible assets	981	1,644
Investments and other assets		
Investment securities	851	862
Shares of subsidiaries and associates	3,573	1,893
Long-term loans receivable from subsidiaries and associates	*1 6,380	*1 4,909
Deferred tax assets	816	739
Leasehold and guarantee deposits	199	213
Other	2	10
Total investments and other assets	11,824	8,628
Total non-current assets	13,058	10,597
Total assets	20,286	20,735

(Millions of yen)

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Liabilities		
Current liabilities		
Current portion of convertible bond-type bonds with share acquisition rights	-	10,005
Current portion of long-term borrowings	11	-
Accounts payable – other	*1 870	*1 996
Accrued expenses	90	93
Income taxes payable	-	19
Accrued consumption taxes	19	-
Provision for bonuses	10	31
Other	19	27
Total current liabilities	1,022	11,173
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	10,015	-
Provision for share awards	-	51
Long-term accounts payable – other	228	344
Other	9	15
Total non-current liabilities	10,252	410
Total liabilities	11,275	11,583
Net assets		
Shareholders' equity		
Share capital	3,202	3,202
Capital surplus		
Legal capital surplus	3,157	3,157
Other capital surplus	22	-
Total capital surplus	3,179	3,157
Retained earnings		
Legal retained earnings	8	8
Other retained earnings		
General reserve	60	60
Retained earnings brought forward	7,470	6,687
Total retained earnings	7,538	6,755
Treasury stock	(5,003)	(4,041)
Total shareholders' equity	8,917	9,074
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	93	77
Total valuation and translation adjustments	93	77
Total net assets	9,011	9,152
Total liabilities and net assets	20,286	20,735

2) Non-consolidated statements of income

(Millions of yen)

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (September 1, 2023 to August 31, 2024)
Operating revenue	*1 4,874	*1 7,139
Operating expenses	*1, *2 4,183	*1, *2 4,073
Operating profit	690	3,065
Non-operating income		
Interest income	*1 129	*1 128
Foreign exchange gains	25	-
Other	*1 7	4
Total non-operating income	162	133
Non-operating expenses		
Interest expenses	5	5
Commission expenses	2	3
Foreign exchange losses	-	31
Loss on investments in investment partnerships	8	7
Provision of allowance for doubtful accounts	64	702
Other	0	0
Total non-operating expenses	79	750
Ordinary profit	773	2,448
Extraordinary income		
Gain on sale of investment securities	-	516
Total extraordinary income	-	516
Extraordinary losses		
Loss on retirement of non-current assets	6	0
Loss on valuation of shares of subsidiaries and associates	1,506	1,619
Other	4	29
Total extraordinary losses	1,517	1,649
Profit before income taxes (loss)	(743)	1,316
Income taxes - current	31	18
Income taxes - deferred	35	84
Total income taxes	67	102
Profit (loss)	(811)	1,214

3) Non-consolidated statements of changes in net assets

Previous fiscal year (from September 1, 2022 to August 31, 2023)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
BALANCE, SEPTEMBER 1, 2022	3,202	3,157	22	3,179
Changes during period				
Dividends of surplus				
Profit (loss)				
Purchase of treasury stock				
Disposal of treasury stock to stock granting trust				
Acquisition of treasury stock by stock granting trust				
Transfer of loss on disposal of treasury stock				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
BALANCE, AUGUST 31, 2023	3,202	3,157	22	3,179

	Shareholders' equity						Valuation and translation adjustments		Total net assets
	Retained earnings				Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Legal retained earnings	Other retained earnings		Total retained earnings					
		General reserve	Retained earnings brought forward						
BALANCE, SEPTEMBER 1, 2022	8	60	8,585	8,653	(5,003)	10,032	189	189	10,221
Changes during period									
Dividends of surplus			(303)	(303)		(303)			(303)
Profit (loss)			(811)	(811)		(811)			(811)
Purchase of treasury stock					(0)	(0)			(0)
Disposal of treasury stock to stock granting trust						-			-
Acquisition of treasury stock by stock granting trust						-			-
Transfer of loss on disposal of treasury stock						-			-
Net changes in items other than shareholders' equity							(95)	(95)	(95)
Total changes during period	-	-	(1,114)	(1,114)	(0)	(1,114)	(95)	(95)	(1,210)
BALANCE, AUGUST 31, 2023	8	60	7,470	7,538	(5,003)	8,917	93	93	9,011

Fiscal year under review (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
BALANCE, SEPTEMBER 1, 2023	3,202	3,157	22	3,179
Changes during period				
Dividends of surplus				
Profit (loss)				
Purchase of treasury stock				
Disposal of treasury stock to stock granting trust			(962)	(962)
Acquisition of treasury stock by stock granting trust				
Transfer of loss on disposal of treasury stock			940	940
Net changes in items other than shareholders' equity				
Total changes during period	-	-	(22)	(22)
BALANCE, AUGUST 31, 2024	3,202	3,157	-	3,157

	Shareholders' equity						Valuation and translation adjustments		Total net assets
	Retained earnings				Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Legal retained earnings	Other retained earnings		Total retained earnings					
		General reserve	Retained earnings brought forward						
BALANCE, SEPTEMBER 1, 2023	8	60	7,470	7,538	(5,003)	8,917	93	93	9,011
Changes during period									
Dividends of surplus			(1,056)	(1,056)		(1,056)			(1,056)
Profit (loss)			1,214	1,214		1,214			1,214
Purchase of treasury stock					(0)	(0)			(0)
Disposal of treasury stock to stock granting trust					2,345	1,383			1,383
Acquisition of treasury stock by stock granting trust					(1,383)	(1,383)			(1,383)
Transfer of loss on disposal of treasury stock			(940)	(940)		-			-
Net changes in items other than shareholders' equity							(16)	(16)	(16)
Total changes during period	-	-	(782)	(782)	961	156	(16)	(16)	140
BALANCE, AUGUST 31, 2024	8	60	6,687	6,755	(4,041)	9,074	77	77	9,152

[Notes]

(Important accounting policies)

1. Basis and method of valuation of securities

(1) Shares in subsidiaries and affiliates

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

(2) Available-for-sale securities

Securities other than shares, etc., that do not have a market price

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

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

(1) 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

(2) 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).

(3) 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

(1) 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.

(2) 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.

(3) Provision for share awards

To provide for the future delivery of the Company shares to employees under the Share Awards Regulations, provision for share awards is recorded at an amount of shares projected to be delivered in proportion 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 a management instruction fee, system usage fee and real estate rent fee based mainly 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. 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.

(Significant accounting estimates)

Recoverability of deferred tax assets

(1) Amount recorded in the financial statements for the fiscal year under review

(Millions of yen)

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Deferred tax assets	816	739

(2) Information on details of the significant accounting estimates for the identified item

This is consistent with those disclosed in “Notes (Significant accounting estimates) under the consolidated financial statements.

(Additional information)

(Transactions to deliver shares of the Company to employees, etc., through a trust)

This information is omitted as the same information is included in “Notes (Additional information)” under the consolidated financial statements.

(Non-consolidated balance sheet)

*1. Monetary claims and obligations to affiliates

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Short-term monetary claims	¥3,447million	¥4,014million
Long-term monetary claims	¥6,380million	¥4,909million
Short-term monetary obligations	¥40million	¥41million

2. Liability on guarantees

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

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
JINS SHANGHAI CO., LTD.	¥2,357million	¥1,831million
JINS Hong Kong Limited	¥174million	¥323million
JINS Eyewear US,Inc.	¥82million	¥34million
Yamato Technical Co., Ltd.	-million	¥14million
JINS TAIWAN CO., LTD.	¥46million	¥9million
Total	¥2,661million	¥2,213million

3. 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, 2023 and 2024 were as follows.

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Total amount of overdraft limit	¥10,800million	¥10,800million
Outstanding borrowings	-	-
Unused balance	¥10,800million	¥10,800million

4. Commitment agreements

Loan commitment agreements

On August 26, 2022, 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.

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Total amount of loan commitments	¥8,000million	¥8,000million
Available amount at the year-end	¥4,000million	¥4,000million
Outstanding borrowings	-	-
Unused balance	¥4,000million	¥4,000million

5. Financial covenants

Previous 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.

Loan commitment agreements entered into on August 26, 2022

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

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.

Fiscal year under review (August 31, 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.

Loan commitment agreements entered into on August 26, 2022

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

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.

(Non-consolidated statements of income)

*1. Transactions with affiliates

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Operating revenue	¥4,874 million	¥7,139 million
Operating expenses	¥30 million	¥45 million
Transactions other than business transactions	¥85 million	¥117 million

*2. Out of expenses that belong to operating expenses, the ratio of expenses that belong to general and administrative expenses is 100% for both the previous fiscal year and the fiscal year under review.

Major components and amounts were as follows.

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Salaries and allowances	¥554million	¥622million
Rent expenses on land and buildings	¥590million	¥402million
Advertising expenses	¥43million	¥57million
Depreciation and amortization	¥513million	¥417million
Commission expenses	¥1,658million	¥1,725million

(Securities)

Fair value of shares in subsidiaries and affiliates (the amount recorded in the balance sheet was ¥1,893 million of shares of subsidiaries and associates for the fiscal year under review and ¥3,573 million of shares of subsidiaries and associates for the previous fiscal year) is not stated as they are shares, etc., that do not have a market price.

(Tax effect accounting)

1. The significant components of deferred tax assets and liabilities

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Deferred tax assets		
Loss on valuation of shares of subsidiaries and associates	¥2,234million	¥2,395million
Tax loss carryforwards	¥401million	¥421million
Shares of subsidiaries and associates	¥297million	¥297million
Allowance for doubtful accounts	¥137million	¥207million
Other	¥72million	¥352million
Subtotal	¥3,143million	¥3,674million
Valuation allowance	¥(2,292million)	¥(2,914million)
Total deferred tax assets	¥851million	¥760million
Deferred tax liabilities		
Valuation difference on available-for-sale securities	¥(25million)	¥(17million)
Other	¥(9million)	¥(3million)
Total deferred tax liabilities	¥(35million)	¥(21million)
Net deferred tax assets	¥816million	¥739million

2. Reconciliation between the statutory tax rates and the effective tax rates after tax effect was as follows.

	Previous fiscal year (August 31, 2023)	Fiscal year under review (August 31, 2024)
Statutory tax rate	This information is omitted as loss before income taxes is recorded.	30.6 %
(Reconciliation)		
Permanent difference due to items excluded from gross revenue such as dividend income		(69.8)
Valuation allowance		47.2
Other		(0.2)
Effective tax rate after tax effect		7.8

(Accounting for income tax and local income tax or tax effect accounting relating thereto)

Although the Company has applied the non-consolidated taxation system, the Company applied for approval of the group tax sharing system by the end of the fiscal year under review, and the group tax sharing system will be applied from the following fiscal year.

From the end of the fiscal year under review, the Company has applied the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solution No. 42, August 12, 2021) to the accounting and disclosure related to tax effect accounting for income tax and local income tax.

(Notes on revenue recognition)

Useful information in understanding revenue from contracts with customers is as presented in "Notes (Significant accounting policies) 4. Basis for recording revenue and expenses" under the consolidated financial statements.

(Subsequent events)

Not applicable.

4) Annexed detailed schedules

[Annexed detailed schedule of property, plant and equipment, etc.]

(Millions of yen)

Class of assets	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Accumulated depreciation or amortization at the end of the year	Amortization during the year	Unused balance Balance at the end of the year
Property, plant and equipment							
Buildings	366	75	18	423	140	18	282
Structures	6	0	-	6	4	0	1
Tools, furniture and fixtures	44	34	-	79	42	11	36
Leased assets	16	-	-	16	16	-	-
Construction in progress	12	107	116	3	-	-	3
Total	445	217	134	528	204	29	324
Intangible assets							
Trademark right	8	-	4	3	3	-	-
Software	2,465	609	0	3,074	1,989	388	1,085
Software in progress	116	943	500	559	-	-	559
Patent right	0	-	-	0	0	-	-
Leased assets	87	-	-	87	87	-	-
Total	2,678	1,552	505	3,725	2,080	388	1,644

(Notes) 1. Main components of increase during the year are as follows.

Software	Development of a business system, etc.	¥609million
Software in progress	Preparation for introducing a system, etc.	¥943million

2. Main components of decrease during the year are as follows.

Software in progress	Preparation for introducing a system, etc.	¥500million

[Annexed detailed schedule of provisions]

(Millions of yen)

Item	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
Allowance for doubtful accounts	449	702	449	702
Provision for bonuses	10	31	10	31
Provision for share awards	-	51	-	51

(2) Components of major assets and liabilities

This information is omitted as the consolidated financial statements are prepared.

(3) Other

Not applicable.

VI. Overview of the Submitting Company's Share Administration

Fiscal year	From September 1 to August 31
Annual General Meeting of Shareholders	During November
Record date	August 31
Record date for dividends from surplus	Last day of February August 31
Number of shares per unit	100 shares
Purchase of odd-lot shares	
Handling location	(Special account) 3-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo Stock Transfer Agency Department at Head Office, Mizuho Trust & Banking Co., Ltd.
Administrator of shareholder registry	(Special account) 3-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co., Ltd.
Intermediary agency	–
Purchase fee	Amount to be separately determined as the amount equivalent to fees pertaining to the entrustment of stock transactions
Method of public notice	The Company's method of public notices shall be electronic public notice. However, in the event that electronic public notices cannot be made due to an accident or other unavoidable circumstances, public notices shall be made by publication in the Nihon Keizai Shimbun. Electronic public notices are posted on the Company's website, and its address is as follows. URL for public notice: https://jinsholdings.com
Special benefit for shareholders	Shareholders who own at least one unit (100 shares) of stock as of the last day of August each year will be presented with one "Shareholder Benefit Voucher" worth ¥9,000, which can be used at the Group's domestic directly managed stores and the Company's designated online store.

(Note) The following was stipulated in the Articles of Incorporation as an amendment to the Articles of Incorporation by resolution of the Annual General Meeting of Shareholders held on November 28, 2007.

Shareholders of the Company who hold less than one unit of shares may not exercise any rights other than those listed below.

(1) Rights set forth in Article 189, Paragraph 2 of the Companies Act
(2) Right to request the acquisition of shares with a put option
(3) Right to receive an allotment of offered shares or offered share acquisition rights

VII. Reference Information of the Submitting Company

1. Information on parent company, etc., of the submitting company

The Company does not have a parent company, etc., as defined in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The following documents were submitted during the period from the start of the current fiscal year to the date of submission of the Annual Securities Report.

(1) Annual Securities Report, its attached documents, and a confirmation letter

Fiscal year (36th term) (From September 1, 2022 to August 31, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau on November 29, 2023.

(2) Internal control report and its attached documents

Submitted to the Director-General of the Kanto Local Finance Bureau on November 29, 2023.

(3) Quarterly report and a confirmation letter

(First quarter of the 37th term) (From September 1, 2023 to November 30, 2023) Submitted to the Director-General of the Kanto Local Finance Bureau on January 12, 2024.

(Second quarter of the 37th term) (From December 1, 2023 to February 29, 2024) Submitted to the Director-General of the Kanto Local Finance Bureau on April 12, 2024.

(Third quarter of the 37th term) (From March 1, 2024 to May 31, 2024) Submitted to the Director-General of the Kanto Local Finance Bureau on July 12, 2024.

(4) Extraordinary report

Submitted to the Director-General of the Kanto Local Finance Bureau on November 30, 2023.

This is an extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 (Results of Exercise of Voting Rights at General Meetings of Shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

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

Not applicable.