

## Corporate Governance Report

Last Update: November 29, 2024

**JINS HOLDINGS Inc.**

Hitoshi Tanaka, President and CEO

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Securities Code: 3046

<https://jinsholdings.com/jp/en/>

The corporate governance of JINS HOLDINGS Inc. (the “Company”) is described below.

### **I. Fundamental Thought Process Related to Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Fundamental Thought Process**

Driven by its desire to enrich people’s lives and unlock new experiences, the Company has upheld its vision, Magnify Life, Shining a New Light 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 initiatives such 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 control 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.

#### **[Reasons Why Principles of the Corporate Governance Code Are Not Implemented]**

(Supplementary Principle 4-1-2)

Currently, the Company publishes the business plan for each business year; however, we do not disclose the medium-term business plan. The Company seeks to achieve business innovation and sustainable growth. Therefore, even if we formulate a medium-term business plan and publish numerical targets, we believe that said numerical values would have limited effectiveness. Rather, we believe that the disclosure of numerical targets could cause shareholders and investors to make judgments which are in contrast to the intentions of the Company; therefore, we do not publish a medium-term business plan.

Conversely, regarding any difference between the single-year business plan and the actual figures, we discuss appropriate measures through monitoring at the Board of Directors meetings and the meetings composed of management executives, and then incorporate the measures in our future business development. Based on this series of processes, we explain our business plans and future business development to shareholders and investors at financial results briefings and through other channels.

(Supplementary Principle 4-1-3)

The Company recognizes that a succession plan for the Chief Executive Officer (CEO) is an important decision as we aim for sustainable growth and enhancement of corporate value over the medium to long term. Although the Company has not defined a clear succession plan for the CEO at this time, we intend to deepen

discussion in a way that is most appropriate for the Company at the Nomination and Compensation Committee meetings in the future based on suggestions from Independent Outside Directors.

#### **[Disclosure Based on Each Principle of the Corporate Governance Code]**

(Principle 1-4: Cross-shareholdings)

Although the Company's basic policy is not to own listed shares as 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. As of the end of the fiscal year ended August 31, 2024, the Company owned one issue of listed shares (97 million yen) as cross-shareholdings for maintaining stable relationships with a joint development partner. Although it is difficult to describe the quantitative effect of those cross-shareholdings, the necessity of holding is assessed based on the status of unrealized profit or loss and other factors, as aforementioned. We determine a policy for exercising voting rights for cross-shareholdings based on a comprehensive judgment, including whether our voting will contribute to the enhancement of the medium- to long-term corporate value of the companies whose shares we hold and impact on us, rather than a uniform standard.

(Principle 1-7: Transactions between related parties)

The Board of Directors makes a resolution on competitive transactions by Directors and transactions involving conflicts of interest between Directors and the Company as necessary based on applicable laws and the Board of Directors Regulations.

(Supplementary Principle 2-4-1)

The Company believes that, in planning, manufacturing, and sales, the development of a working environment for employees working at headquarters and stores as well as in the supply chain is an important theme. We are advancing initiatives with the understanding that we have a responsibility to respect the human rights of all employees involved in the Company and to ensure their physical and mental health and safety.

With a belief that creating an environment in which diverse employees feel comfortable to work enables us to respond to various eyewear needs, we are implementing various initiatives to promote diversity.

Also, the Company raised the base wage for regular employees at stores twice, in September 2023 and April 2024, and revised the number of days of annual leave to improve employee treatment and contribute to local economies. 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 capital.

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 qualification 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.

On our corporate website, we disclose our initiatives on promoting diversity and developing human resources, as well as the current state of childcare leave and other various systems, the ratios of female managers and female store managers, the ratio of employees taking childcare leave, the promotion of international personnel transfers, and our goals and directions for 2030.

(Principle 2-6: Roles of corporate pension funds as asset owners)

100% of the Company's corporate pension funds are defined contribution pension funds, and employees eligible for corporate pension funds manage their assets individually.

(Principle 3-1: Enhancement of information disclosure)

- (i) The Company's management philosophy and management strategy are listed on our website. With regard to the business plan, the earnings forecast for each fiscal year is announced at the financial results briefing.
- (ii) The Company's fundamental thought process related to corporate governance is described in "4-4. Corporate Governance" of the Annual Securities Report.
- (iii) The policy for determining the remuneration of Directors is described in the "[Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" section of the Corporate Governance Report. Remuneration of Executive Officers is determined by the Board of Directors in accordance with the Executive Officer Regulations.
- (iv) As for candidates for Director, the qualified candidates are appropriately selected based on a comprehensive consideration of factors including experience, insight, expertise, and career by the Nomination and Compensation Committee (comprised of the Representative Director and Independent Outside Directors, with Independent Outside Directors comprising a majority), a voluntary advisory body to the Board of Directors. After a resolution is passed by the Board of Directors, the selected candidates are put before the General Meeting of Shareholders for election.
- (v) The reasons for the selection and nomination of candidates for Director, the career background of each candidate, and the skill matrix of each Director are described in the Reference Documents for the General Meeting of Shareholders when the election of Directors is proposed. Appointments and dismissals of Executive Officers are resolved by the Board of Directors in accordance with the Executive Officer Regulations, taking into account business expertise, management execution ability, innovation, and leadership. At the time of each appointment or dismissal, the reasons for the appointment or dismissal are fully explained at a meeting of the Board of Directors.

(Supplementary Principle 3-1-3)

The Company discloses the state of initiatives on sustainability on its corporate website. We recognize that, in sustainability management, the impact of climate change on our business is particularly an important theme, and thus make disclosure in accordance with the TCFD recommendations.

For details, please see "TCFD Report" and "Sustainability Report."

- TCFD Report: [https://jinsholdings.com/jp/common/file/2022\\_tcf\\_d\\_report\\_en.pdf](https://jinsholdings.com/jp/common/file/2022_tcf_d_report_en.pdf)
- Sustainability Report: <https://jinsholdings.com/jp/en/sustainability/report/>

(Supplementary Principle 4-1-1)

In addition to the provisions in applicable laws and the Articles of Incorporation, the details of the resolutions of the Board of Directors are stipulated in the Board of Directors Regulations. With respect to important matters other than those resolved by the Board of Directors, standards for decision-making authority are defined in the Management Committee Regulations and the Business Authority Regulations, and decisions are made promptly.

(Principle 4-9: Criteria for judging the independence of Independent Outside Directors and attributes of Independent Outside Directors)

The Company deliberates the independence of Outside Directors at meetings of the Board of Directors based on standards in accordance with the independence standards of the Tokyo Stock Exchange to select candidates for Independent Outside Director.

(Supplementary Principle 4-10-1)

The Company has appointed five Independent Outside Directors among eight Directors, with Independent Outside Directors comprising a majority. The nomination and remuneration of Directors are appropriately managed, having established the Nomination and Compensation Committee (comprised of the Representative Director and Independent Outside Directors, with Independent Outside Directors comprising a majority), which is a voluntary advisory body to the Board of Directors.

(Supplementary Principle 4-11-1)

The Articles of Incorporation stipulate that the Company shall have no more than twelve Directors. The Company's Board of Directors is composed of eight Directors (including six Outside Directors) who possess diverse knowledge and experience, as well as the knowledge and ability to innovatively create medium- to long-term corporate value. The Company shall maintain an appropriate size of the Board of Directors to ensure the most efficient functioning of decision-making and supervision of overall management. For Inside

Directors, the Company appoints human resources who possess a high level of expertise in the Company's business and are able to accurately and fairly supervise overall management. For Outside Directors, the Company appoints human resources who possess a wide range of knowledge necessary for management and a high level of insight in specific fields, and who have the qualities to provide accurate and fair supervision from an objective perspective independent of business execution. In addition to the skill matrix of its Directors, the Company disclosed that of Executive Officers since 2022.

(Supplementary Principle 4-11-2)

Concurrent appointment as officers of other listed corporations for the Directors of the Company shall be within a reasonable scope. Furthermore, the status of important concurrent positions is disclosed annually in the convocation notice of the General Meeting of Shareholders and the Annual Securities Report.

(Supplementary Principle 4-11-3)

The Company conducts self-evaluation and self-analysis of the effectiveness of the Board of Directors with the aim of enhancing the functionality of the Board of Directors and corporate value.

(i) Evaluation process

We obtain cooperation from an external body for conducting self-evaluation and self-analysis.

Specifically, online questionnaire surveys were conducted targeting all Directors who were members of the Board of Directors as of September 2024 and Auditors about overall matters of the Board of Directors including its composition, operation methods, discussion status, and monitoring functions. Based on the survey results, analysis, discussions, and evaluations are conducted. Survey answers were received directly by the external body and anonymity was secured so that they could comfortably provide frank opinions.

(ii) Issues identified in last year's evaluation results and responses thereto

Issues:

An issue was raised with regard to the business portfolio of the entire Group, in terms of establishing policies and periodically reviewing them from the perspectives of sustainable profitability and capital costs.

Countermeasures:

- Enhance business reporting that incorporates external analysis based on market conditions and competitive conditions.
- Analyze the profitability and capital costs of each business on a quarterly basis and report the results to the Board of Directors.

(iii) Overview of this year's evaluation results and issues

1. Summary

Survey results and evaluation summary are as follows. Although there are some items that require improvement, favorable opinions were generally obtained and it is evaluated that the effectiveness of the Board of Directors as a whole has been ensured.

(Composition)

The number of Directors is appropriate. The number of Outside Directors exceeds that of internal Directors and such composition is effective for governance. As the proportion of overseas business increases, it is necessary to consider personnel appointments from an international perspective.

(Operation)

Frequency of the meetings and discussion hours are appropriate. Generally, no problems are found in operations of the secretariat.

(Discussions)

Free, vigorous, and constructive exchanges of opinions are held. While discussions on sales enhancement and marketing are actively taking place, it is necessary to improve the efficiency of corporate value creation by discussing strategies with profitability and capital costs in mind.

2. Issues and measures

Issues were identified regarding whether the Company sets appropriate KPIs, both financial and non-financial, to ensure sustainable growth. In response to this issue, we are taking the following actions:

- Developing comprehensive KPIs for capital efficiency indicators such as ROE and ROIC, non-financial indicators, including ESG-related metrics and customer satisfaction, and human capital indicators, such as recruitment and employee engagement scores, to support sustainable growth;
- Reviewing each indicator periodically to assess whether it is functioning appropriately toward the achievement of medium- to long-term strategic goals; and
- Introducing a management dashboard to standardize the most important management indicators in each country, set targets through benchmarking, and accurately check progress, and strengthen the control by the Directors and the management, as well as the execution capabilities of executives.

We will enhance the decision-making process that supports sustainable growth by improving the KPI setting at the Board of Directors meetings.

We will continue to make improvements based on the evaluation results of the effectiveness of the Board of Directors to strengthen our governance system and create corporate value.

(Supplementary Principle 4-14-2)

In response to requests by Directors, the Company shall provide Directors with the opportunity to acquire knowledge necessary for their duties, with the aim of enabling them to fully engage in management oversight and auditing functions. In such cases, the Company shall pay for the costs associated with knowledge acquisition.

(Principle 5-1: Policy related to constructive dialogue with shareholders)

(i) Basic policy regarding general dialogue with shareholders:

In order to contribute to the sustainable growth of the Company and the enhancement of corporate value over the medium- to long-term, the Company promotes constructive dialogue with shareholders to a reasonable extent. Managing Executive Officer & CFO oversees the general dialogue with shareholders and works to enhance dialogue working with related departments such as general affairs, accounting, and legal affairs in the Administration Division. The Company comprehensively considers the wishes and interests of shareholders and investors, and holds individual meetings and web or telephone conference calls as necessary. Moreover, the Company takes other measures to enhance dialogue. For example, the Company holds financial results briefings every six months, at which the management team explains the Company's financial situation and management policy to shareholders and investors.

(ii) Means of dialogue other than individual meetings:

In addition to holding biannual financial results briefings for institutional investors, the Company uses a website to disclose a summary of financial results, financial results briefing materials, monthly sales status, and other information.

(iii) Feedback measures:

Information on IR activities, related feedback, and the status of changes in shareholders is reported as necessary to the management team and the Board of Directors, and is shared with Directors and the Auditors.

(iv) Measures for management of insider information:

The period from the day after the end of each quarterly account settlement until the disclosure of the financial report is stipulated as a silent period. During this period, the Company refrains from commenting on financial results. Furthermore, the Company constantly pays attention to the management of insider information when engaging in dialogue with shareholders, investors, and analysts. Our basic policy regarding overall dialogue with shareholders is listed in the Disclosure Policy on our website.

## 2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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**[Status of Major Shareholders]**

Name / Company Name	Number of Shares Owned	Percentage (%)
Hitoshi Tanaka	8,104,238	34.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,902,700	8.05
MARS G.K.	1,200,000	5.08
Jupiter Corporation	600,000	2.54
Venus Corporation	600,000	2.54
Custody Bank of Japan, Ltd. (Trust Account)	507,000	2.14
Yutaka Nakamura	400,000	1.69
Shunichi Katono	346,600	1.47
Custody Bank of Japan, Ltd. (Trust E Account)	300,000	1.27
BNP PARIBAS LUXEMBOURG/2S/JASDEC/JANUS HENDERSON HORIZON FUND	297,000	1.26

Controlling Shareholder (except for Parent Company)	–
Parent Company	None

## Supplementary Explanation

[Status of Major Shareholders] shows the status as of August 31, 2024.  
The number of shares held by Directors indicates the actual number of shares held, including shares held by the Company's Officers' Ownership Association.

**3. Corporate Attributes**

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	August
Type of Business	Retail Trade
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

**4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder**

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**5. Other Special Circumstances which may have Material Impact on Corporate Governance**

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with an Audit and Supervisory Committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Twelve
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors	Eight
Appointment of Outside Directors	Appointed
Number of Outside Directors	Six
Number of Independent Directors	Five

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Noboru Kotani	From another company												
Jiro Kokuryo	From another company												
Chiaki Hayashi	From another company												
Masatoshi Arimura	From another company								△				
Tetsuya Oi	Lawyer								○				
Tsuguya Ota	CPA												

\* Categories for "Relationship with the Company"

\* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past

\* "●" when a close relative of the Director presently falls or has recently fallen under the category;

"▲" when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive Director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a Director/Auditor

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)

i. Executive of a company, between which and the Company Outside Officers are mutually appointed (the Director himself/herself only)



- j. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit and Supervisory Committee Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Noboru Kotani		○	-	Mr. Kotani has been appointed as an Outside Director with the expectation that he will provide oversight of and recommendations on the Company's overall management and exercise voting rights at meetings of the Board of Directors based on his experience and insight from serving as an officer of multiple listed companies. Moreover, Mr. Kotani and his close relatives have no transactions with the Company at present nor have they had any in the past except as an Outside Director. Because strong independence has been ensured with no concerns over conflicts of interest with general shareholders, he has been designated as an Independent Director.
Jiro Kokuryo		○	-	Mr. Kokuryo has been appointed as an Outside Director with the expectation that he will provide oversight of and recommendations on the Company's overall management and exercise voting rights at meetings of the Board of Directors based on his professional experience at a major telecommunications company as well as deep insight and wide-ranging experience in management and IT as a scholar. Moreover, Mr. Kokuryo and his close relatives have no transactions with the Company at present nor have they had any in the past except as an Outside Director. Because strong independence has been ensured with no concerns over conflicts of interest with general shareholders, he has been designated as an Independent Director.
Chiaki Hayashi		○	-	Ms. Hayashi has been appointed as an Outside Director with the expectation that she will provide appropriate advice on the Company's business and sustainability measures based on her experience in managing a variety of projects and working on revitalization of a local economy. Moreover, Ms. Hayashi and her close relatives have no transactions with the Company at present nor have they had

Name	Audit and Supervisory Committee Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
				any in the past. Because strong independence has been ensured with no concerns over conflicts of interest with general shareholders, she has been designated as an Independent Director.
Masatoshi Arimura	○		-	Mr. Arimura has been appointed as a Director who is an Audit and Supervisory Committee member with the expectation that he will leverage his experience in the area of auditing at the Company and oversee management from an objective standpoint independent of executives based on his many years of experience working at financial institutions and experience in management at related companies.
Tetsuya Oi	○	○	-	Mr. Oi has been appointed as a Director who is an Audit and Supervisory Committee member with the expectation that he will exercise his auditing function over the management of the Company from a professional perspective based on his experience as a qualified lawyer with extensive knowledge and experience as a legal professional. The Company has concluded a legal advisory contract with TMI Associates, the law firm to which Mr. Oi belongs, and pays compensation based on the advisory contract. For the consolidated fiscal year under review, the total compensation amounted to less than 1.0% of the Group's total selling, general and administrative expenses and is deemed to be insignificant. There are no other personal, capital, business or other interests between him and the Company.
Tsuguya Ota	○	○	-	Mr. Ota has been appointed as a Director who is an Audit and Supervisory Committee member with the expectation that he will exercise his auditing function over the management of the Company from a professional perspective based on his experience as a certified public accountant and tax accountant. Moreover, Mr. Ota and his close relatives have no transactions with the Company at present nor have they had any in the past except as an Outside Director and Outside Auditor. Because strong independence has been ensured with no concerns over conflicts of interest with general shareholders, he has been designated as an Independent Auditor.

**[Audit and Supervisory Committee]**

Committee’s Composition, and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	3	1	0	3	Outside Director

Assignment of Directors and employees to assist in the duties of the Audit and Supervisory Committee	None
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Reasons for adopting the current system

Although there are no employees to assist in the duties of the Audit and Supervisory Committee, the Company stipulates that, if the Audit and Supervisory Committee requests the assignment of such employees, the Company shall assign an Assistant to the Audit and Supervisory Committee promptly, as outlined below.

(1) Matters relating to employees in the event that the Audit and Supervisory Committee requests assignment of such employees to assist in its duties

If the Audit and Supervisory Committee requests the assignment of an employee for assisting in the duties of the Audit and Supervisory Committee or in the execution of other duties (hereinafter, “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.

(2) Matters related to the independence of Assistant to the Audit and Supervisory Committee from Directors (excluding those who are Audit and Supervisory Committee members) and matters related to ensuring the effectiveness of instructions from the Audit and Supervisory Committee

(a) Consent shall be obtained in advance from the Audit and Supervisory Committee in regard to the transfer or personnel evaluation of an Assistant to the Audit and Supervisory Committee.

(b) An 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.

Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Audit and Supervisory Committee periodically exchanges opinions with the CEO in order to exchange information and confirm the status of business execution. In addition, the Audit and Supervisory Committee consults Accounting Auditors, lawyers, and other external experts as necessary to propose important improvements to the Board of Directors.

Furthermore, a department in charge of audits, the Audit and Supervisory Committee, and Accounting Auditors regularly exchange information and opinions on audit plans, the development and operation status of internal controls, audit issues, and other important matters, and strive to share information and strengthen cooperation among the three parties.

**[Voluntary Committees]**

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee’s Name, Composition, and Attributes of Chairperson

	Committee’s Name	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Committee Corresponding to Nomination Committee	Nomination and Compensation Committee	4	0	1	3	0	0	Inside Director
Committee Corresponding to Remuneration Committee	Nomination and Compensation Committee	4	0	1	3	0	0	Inside Director

Supplementary Explanation

The purpose of the Nomination and Compensation Committee, as a voluntary advisory body to the Board of Directors, is to appropriately ensure opportunities for the Independent Outside Directors to engage in and provide advice on the nomination of Directors and decision-making related to Director remuneration, thereby improving the fairness, objectivity, and transparency of the decision-making process of the Board of Directors, which will lead to further enhancement of the corporate governance system. One meeting of the Nomination and Compensation Committee was held in the fiscal year ended August 31, 2024.

**[Independent Directors/Auditors]**

Number of Independent Directors/Auditors	Five
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Matters relating to Independent Directors/Auditors

The Company has designated all five Outside Officers who meet the criteria for Independent Officers as Independent Officers.

**[Incentives]**

Incentive Policies for Directors	None
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Supplementary Explanation

Because each Director is strongly motivated to achieve the common goal of enhancing corporate value through business activities, the Company has determined that there is no need to provide incentives at this time.

Recipients of Stock Options	
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Supplementary Explanation

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**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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**Supplementary Explanation**

Remuneration for the Company's Directors and Auditors pertaining to the fiscal year ended August 31, 2024
Remuneration paid to Directors (excluding Outside Directors): 124 million yen
Remuneration paid to Outside Directors and Outside Auditors: 48 million yen

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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**Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods**

In order to ensure transparency and objectivity, remuneration for the Company's Directors is determined, by distinguishing Directors who are Audit and Supervisory Committee members from other Directors, based on deliberations by the Nomination and Compensation Committee (comprised of the Representative Director and Outside Directors), which is a discretionary advisory body to the Board of Directors. Such decisions comprehensively take into account the scope of responsibilities, business results, level of contribution, and other factors, within the scope of the maximum amount of remuneration determined by the resolution of the General Meeting of Shareholders.

**[Supporting System for Outside Directors]**

Communication with Outside Directors is handled by the Legal and General Affairs Department within the Administration Division, which serves as the secretariat of the Board of Directors. The Company also shares information with Full-time Officers in real time through an in-house intranet. For meetings attended by Outside Officers, each department in charge notifies and explains the agenda items in advance, either in writing or in speech.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

### 1. Overview of the current system

The Company is a company with an Audit and Supervisory Committee and Accounting Auditor, and is operated by a governance structure centered around the Board of Directors with cooperation of a department in charge of audits, the Accounting Auditor, and other relevant departments, as it strives to enhance the corporate governance system.

Currently, eight Directors, consisting of five Directors who are not Audit and Supervisory Committee members (three of whom are Outside Directors) and three Directors who are Audit and Supervisory Committee members (all of whom are Outside Auditors), are appointed as officers of the Company. Outside Directors make recommendations based on a wide range of knowledge and experience from a neutral and independent external standpoint, while being familiar with our internal circumstances. 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 duty execution is reported, with each Director actively participating in discussions.

Meetings of the Audit and Supervisory Committee are generally held once a month, at which Audit and Supervisory Committee members audit the state of duty execution by Directors based on the audit policy and audit plans determined by the Audit and Supervisory Committee, and exchange their opinions. The Company strives to enhance audits by improving communication among Audit and Supervisory Committee members, such as by sharing the status of audits and management information.

### 2. Nomination and Compensation Committee

The Company has established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors to ensure fairness, transparency and objectivity with respect to decisions on remuneration policies, systems and remuneration for Directors and to enhance the corporate governance system, as well as to nominate Directors. The Nomination and Compensation Committee is chaired by the Representative Director and consists of Independent Outside Directors. To ensure the independence and neutrality of the Committee, the majority of the Committee members are Independent Outside Directors.

### 3. State of the Accounting Auditor

The Company has concluded an audit agreement with Ernst & Young ShinNihon LLC, the Accounting Auditor, for audits pursuant to the Companies Act and the Financial Instruments and Exchange Act. The names of certified public accountants who engaged in audits for the fiscal year ended August 31, 2024 are as follows.

(Names of certified public accountants who engaged in audits)

Yoshihisa Shibayama, Designated Limited Liability Partner and Engagement Partner

Rentaro Miki, Designated Limited Liability Partner and Engagement Partner

In addition, those who assisted in accounting audits of the Company are comprised of five certified public accountants and 18 others.

## 3. Reasons for Adoption of Current Corporate Governance System

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

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 actively worked to build a sound and transparent management structure through initiatives such as making corporate governance more effective, establishing supervisory functions to ensure promptness in our decision-making as well as appropriateness and efficiency in the execution of our operations, and enhancing internal control functions with the aim of achieving the creation of medium- to

long-term corporate value together with social contribution. The Company has adopted the structure of a Company with an Audit and Supervisory Committee to further strengthen the Board of Directors' supervisory function exercised by officers in charge of audits, including Outside Directors, and to further enhance and strengthen corporate governance.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Initiatives for Revitalizing the General Meeting of Shareholders and Facilitating the Exercise of Voting Rights

	Supplementary Explanation
Allowing Electronic Exercise of Voting Rights	Since the 27th Annual General Meeting of Shareholders in 2014, we have adopted an electromagnetic method for exercising voting rights.
Participation in Electronic Voting Platform and Other Initiatives to Improve the Environment for Institutional Investors to Exercise Their Voting Rights	Since the 27th Annual General Meeting of Shareholders in 2014, we have participated in the Electronic Voting Platform operated by ICJ, Inc.
Provision of Convocation Notice (Abstract) in English	An English version of the convocation notice, including the business report, was prepared and posted on the Company's website and TDnet.

#### 2. IR Activities

	Supplementary Explanation	Explanations Provided by the Representative
Preparation and Publication of Disclosure Policy	The Company has formulated a disclosure policy and posted it on the Company's website. <a href="https://jinsholdings.com/jp/en/ir/disclosure/">https://jinsholdings.com/jp/en/ir/disclosure/</a>	
Regular Investor Briefings for Analysts and Institutional Investors	Held twice a year Briefing sessions for analysts and institutional investors are held after the announcement of full-year financial results and the second quarter financial results. The briefing materials, including English versions, are immediately posted on the Company's IR website.	Yes
Posting of IR Materials on Website	<a href="https://jinsholdings.com/jp/en/ir/">https://jinsholdings.com/jp/en/ir/</a> Financial information, timely disclosure information, annual securities reports, financial results briefing materials, materials from the General Meeting of Shareholders	
Establishment of Department and/or Manager in Charge of IR	The Investor Relations Office has been established within the Corporate Planning Division as a department in charge of IR.	
Other	<ul style="list-style-type: none"> <li>• Prior to the date of the General Meeting of Shareholders, the Company accepts questions in advance from shareholders who are unable to attend the meeting, and responds to those questions that are of interest to most shareholders.</li> <li>• On the day of the General Meeting of Shareholders, the meeting is livestreamed exclusively for shareholders.</li> </ul>	



### 3. Initiatives for Respecting the Position of Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company's "Vision" (Magnify Life, Shining a New Light) and "Attitudes (important stance)" indispensable for realizing the Vision state that we shall engage with all stakeholders, including customers, business partners, employees, and local communities, with empathy and sincerity. Also, the Guidelines for Code of Ethics stipulate respect for dignity and rights of internal and external individuals, sincere attitudes from a standpoint of customers, and appropriate relationships with business partners based on relations of trust.
Implementation of Environmental Activities, CSR Activities, etc.	Since 2013, in order to support and promote entrepreneurship in Gunma Prefecture where the Company was founded, we have sponsored the Gunma Innovation Award, which is presented to commend entrepreneurs in cooperation with local newspapers and local companies that support the purpose of the award. We also collect and recycle eyeglasses that are no longer used. In March 2024, we issued and disclosed on our website the Sustainability Report, which introduces the Company's initiatives for sustainability.

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

Basic policy regarding internal control systems

1. 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 resolving issues from the perspectives of "ethics" and "compliance with laws" so that the Company can 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 within the Administration Division as a dedicated department for handling compliance-related issues. The Compliance Group handles a wide range of compliance-related issues, builds organizational structures, develops regulations, and collects company-wide information. Information on compliance-related incidents that occurred in departments is consolidated within the Compliance Group. Thereby, the Company has established a system to ensure prompt and appropriate responses.

In addition, the Company has established a Risk Management Committee chaired by the General Manager of the Administration Division, which provides opportunities for each department to report on compliance-related issues and initiatives on a regular basis and further consolidate information.
2. 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, "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 Documents, etc. Directors shall be able to view Documents, etc., at any time.
3. Regulations and other systems for managing the risk of loss

The Company has established the Risk Management Regulations, which will contribute to the smooth administration of the JINS Group's business by developing a management system for preventing risks from materializing and responding to risks that have materialized. The Risk Management Regulations clearly define which department is responsible for social-related risk, labor risk, compliance risk, product and service risk, information-related risk, administrative risk, credit risk, system risk, and other risks designated by the General Manager of the Governance Division. A risk management system shall be developed and constructed in accordance with these Regulations.

The Company established a Risk Management Group within the Governance Division as a dedicated department tasked with managing risks. In addition, a Risk Management Committee, Information Security Committee and Personal Information Committee have been formed as specialized committees. To supervise these specialized committees, the Company has established a Governance Supervision Committee chaired by the CEO. These specialized committees shall report on their agendas to the Governance Supervisory Committee on a regular basis, and, in turn, the Governance Supervision Committee shall report on such agendas to the Board of Directors and the Audit and Supervisory Committee on a regular basis. The Risk Management Committee also receives reports from risk management committees established within overseas Group companies and from each department, and has a system in place to gather information on risks facing the entire Group.

As guidelines for information security for the entire JINS Group, the Company has established the "Information Security Policy" and has a system in place to maintain and improve the confidentiality, integrity and availability of information assets held by the Company and to meet the expectations of stakeholders. By establishing an IT Governance Section specialized in information security within the Governance Division, the Company has constructed an internal IT security

system to take measures against unauthorized access and hacking, and has also conducted necessary supervision of the information security of contractors. In particular, with regard to personal information, the Company has established a Privacy Governance Group within the Governance Division that specializes in the protection of personal information and has developed an internal personal information protection system to ensure thorough compliance with laws and regulations concerning the protection of personal information and the appropriate handling of such information.

In addition, a department in charge of audits promotes risk management integrated with internal control by auditing the status of risk management reported to the Risk Management Committee. In the future, we will continue to put in place a system to minimize loss and damage by promptly responding in the event of a serious situation in the course of business activities.

The Company has established “Management Risk Countermeasure Guidelines” and has developed a risk management system to ensure business continuity in the event of a business crisis caused by the following risks:

- (1) Risk of incurring serious losses due to disasters and accidents such as earthquakes, floods and fires
- (2) Risk of serious disruption to production and sales activities due to improper business execution by officers and employees
- (3) Risk of serious damage due to the malfunctioning of critical IT systems
- (4) Other risks deemed extremely serious by the Board of Directors

4. System to ensure that Directors execute their duties efficiently

The Company has formulated 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 clarifies the authority and duties of Directors, and strives to improve the efficiency of execution of duties.

By implementing an executive officer system, the Company strives to strengthen the supervisory function of Directors through delegation of authority for executing certain business operations. Furthermore, a management committee, which consists of executive and other officers and is chaired by the CEO, has been established under the Board of Directors. The management committee engages in deliberations in advance to enhance discussions at the Board of Directors meetings. Also, within the extent of authority delegated by the Board of Directors, the management committee deliberates and makes decisions on the execution of the Company’s business and implementation of measures.

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

The Company has established the Affiliates Management Regulations for the growth and prosperity of the Group’s overall business and to develop and construct a system for efficient execution of duties by the Affiliates.

In accordance with the Affiliates Management Regulations, the person in charge and the supervisory department 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 has established and developed a risk management system across the Group. In the event of disasters and accidents as stipulated in the Management Risk Countermeasure Guidelines, the Affiliates shall promptly establish a countermeasure headquarters and take necessary actions.

In addition, the “JINS Group Code of Ethical Conduct” and the “Guidelines for Code of Ethics” are applied to all officers and employees of the Company and Affiliates, and are made known to all individuals to whom they apply.

A department in charge of audits periodically audits the status of operations at the Affiliates.

6. Matters relating to employees in the event that the Audit and Supervisory Committee requests assignment of such employees to assist in its duties  
If the Audit and Supervisory Committee requests the assignment of an employee for assisting in the administrative work of the Audit and Supervisory Committee or in the execution of other duties (hereinafter, "Assistant to the Audit and Supervisory Committee"), an Assistant to the Audit and Supervisory Committee will be promptly assigned after consulting with the Audit and Supervisory Committee.
7. Matters related to the independence of Assistant to the Audit and Supervisory Committee from other 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 regard to the transfer or personnel evaluation of an Assistant to the Audit and Supervisory Committee. In addition, an 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.
8. 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 periodically report the status for execution of their duties to the Audit and Supervisory Committee. In addition to statutory 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 regard to facts, etc., that may cause significant damage to the Company.  
From among whistleblowing reports received, the person in charge of the Compliance Hotline communicates with the Audit and Supervisory Committee in regard to matters related to the duties of Directors. Full-time Audit and Supervisory Committee members attend important meetings of the Governance Supervision Committee, the Risk Management Committee, etc.
9. System for Officers and Employees of the 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, Auditors 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 of the Company is able to request reports on the details of business execution from Directors and employees of the Affiliates, and reports on the status of audits from Auditors of the Affiliates.  
The Company has established a system to ensure that persons who have reported to the Audit and Supervisory Committee as stipulated in 8. and 9. do not incur unfavorable treatment at the Company or the Affiliates because of the report.
10. Matters related to the procedures for prepaying or redeeming expenses arising from execution of duties by the Audit and Supervisory Committee members of the Company, 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 promptly processes the request.
11. 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 actively cooperate with audits by the Audit and Supervisory Committee of the Company, report on the status of business operations, and

disclose materials related to their duties. The Audit and Supervisory Committee periodically exchanges opinions with the CEO in order to exchange information and confirm the status of business execution. Based on necessary consultation with Accounting Auditors, lawyers, or other external experts, the Audit and Supervisory Committee proposes important improvements to the Board of Directors.

12. System to ensure the reliability of financial reports

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

## 2. Basic Views on Eliminating Anti-Social Forces and the Progress of System Development

1. Basic views on eliminating anti-social forces  
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.
2. The progress of internal system development for eliminating anti-social forces
  - (1) Status of establishing department in charge of coordinating response and manager responsible for preventing unreasonable demands  
The General Affairs Section of the Legal and General Affairs Department within the Administration Division, as a department in charge of coordinating the response to anti-social forces, centrally manages the collection and management of information on anti-social forces, cooperation with external organizations, development of manuals, and other tasks.  
In addition, managers responsible for preventing unreasonable demands have been assigned in each department, mainly from among senior managers, to establish a system that enables an immediate and appropriate response to unreasonable demands.
  - (2) Status of cooperation with external specialist organizations  
Even at normal times, the Company maintains close contact with external organizations, including local police stations with jurisdictions over the locations of the Company's principal offices and Centers for Removal of Criminal Organizations, so that requests for cooperation can be made quickly.
  - (3) Status of collecting and managing information on anti-social forces  
With respect to new counterparties, the Company commissions specialist organizations to investigate whether they have any relationships with anti-social forces, in addition to conducting standard transaction reviews. Moreover, the Company includes a clause for eliminating anti-social forces in its transaction agreements, so that the Company can refuse or cancel contracts regardless of whether they have been executed in a rare event that the counterparty is found to be an anti-social force or an equivalent entity. Through these measures, the Company strives to eliminate the influence of anti-social forces and equivalent entities. In addition, with respect to existing counterparties, the Company conducts annual investigations of certain entities selected based on the scale of transactions, industry, and other criteria.  
The Company conducts investigations on newly appointed officers prior to their appointment, and on incumbent officers at the same time as existing counterparties stated above.  
The Company requests all employees when joining the Company to submit a sworn statement confirming that they are not involved with anti-social forces. Thereafter, the Company observes if there have been any changes to each employee through status of daily execution of their duties. Moreover, when hiring senior management employees and employees for human resources or accounting positions, the Company confirms that the candidates have no relationships with anti-social forces before making hiring decisions.  
As for shareholders, the Company conducts investigations on major shareholders who hold more than a certain number of shares in the same manner as periodic investigations on counterparties, and receives information from stock administration agencies. If racketeers or similar shareholders are discovered, the Company shall quickly address the issue.
  - (4) Status of developing response manuals and conducting training activities  
Basic policies on anti-social forces, specific ways to address unreasonable demands, and other instructions are compiled in the JINS GUIDELINES management manual, which is posted on the Company's groupware and is available to all employees.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation
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At this time, the Company does not plan to introduce specific anti-takeover measures.
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### 2. Other Matters Concerning Corporate Governance System

An overview of the Company's internal system related to timely disclosure of company information is as follows.

1. The Company's basic stance on information disclosure  
The Company strives to provide information that will affect investment decisions, including decisions made, events that have occurred, and finances, as well as information to facilitate better understanding of the Company, in a timely, appropriate, and fair manner to all shareholders and investors.  
To this end, the Company has defined its policies on information management in the Code of Ethical Conduct, and established Insider Trading Prevention Regulations designed to collect and analyze company information that should be disclosed in a timely and comprehensive manner, to make appropriate disclosures, and to prevent the leakage of important information and illegal insider transactions. In addition to thoroughly managing important information and making disclosures in accordance with the rules for timely disclosure and other related laws as a matter of course, the Company voluntarily and proactively discloses company information necessary for proper understanding of its corporate value.
2. Organizational system for timely disclosures  
The Company has designated the Administration Division to be in charge of tasks related to the management of company information, and appointed the General Manager of Administration Division as the manager responsible for information management with duties to aggregate and manage matters regarding internal information categorized as material facts across the Company. In addition, the Company has designated managers in charge of each department to be information administrators who manage important information within each department.  
Furthermore, the Company has established a Risk Management Committee, in an aim to enhance its information management functions.
3. Timely disclosure process
  - (1) Collecting and understanding information  
Information on settlement of accounts is reported by the Accounting Section, the Accounting and Finance Department of the Administration Division, which is the department in charge of accounting, to the General Manager of Administration Division, who is the manager responsible for information management, as appropriate.  
In addition, the manager responsible for information management or information administrators attend meetings of the Board of Directors and equivalent meetings of various executive decision-making bodies to collect information on decisions made in a timely manner.  
Regarding events that have occurred, the information administrator of the department that experienced an event is responsible for reporting to the manager responsible for information management without delay after each piece of information is generated.  
Regarding the collection and understanding of material facts related to subsidiaries, the Company has mandated each subsidiary to immediately report information on decisions made and events that have occurred at the subsidiary to the Company's department in charge of management of subsidiaries as soon as the possibility of being classified as timely disclosure information arises. In addition, subsidiaries are required to submit monthly financial reports, establishing a system in which

the department in charge of management can assess the financial information of the subsidiaries as needed.

(2) Determining the need for disclosure and preparing drafts

Collected information is reported to the Administration Division, and the Administration Division, the manager responsible for information management, and the Executive Officers evaluate the reported information and determine whether there is a need for disclosure. Upon discussing the contents, timing, and wording of disclosure, they report to the Board of Directors.

(3) Approving and resolving disclosure

The Board of Directors deliberates on the disclosure of company information reported by the manager responsible for information management and makes a resolution.

However, out of company information, the monthly sales overview, as well as serious accidents, disasters, and other events that have occurred for which the manager responsible for information management has decided urgent disclosure is required, may be reported by the manager responsible for information management to the President and disclosed upon the President's approval.

(4) Processing disclosure

Upon a resolution by the Board of Directors or approval by the President, the manager responsible for information management instructs TD-NET operations and other predetermined disclosure procedures without delay.

