

Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 [Japanese GAAP]



October 11, 2024

Company Name: JINS HOLDINGS Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3046

URL: <https://jinsholdings.com>

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Scheduled date of Annual General Meeting of Shareholders: November 28, 2024

Scheduled date of commencing dividend payments: November 29, 2024

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (September 1, 2023 to August 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended August 31, 2024	82,999	13.3	7,836	61.7	7,735	106.9	4,671	165.1
August 31, 2023	73,264	9.5	4,847	46.2	3,739	(1.3)	1,762	134.6

(Note) Comprehensive income: Fiscal year ended August 31, 2024: ¥4,815 million [187.3%]

Fiscal year ended August 31, 2023: ¥1,676 million [57.6%]

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2024	200.17	190.97	19.7	15.6	9.4
August 31, 2023	75.50	69.42	8.4	7.5	6.6

(Reference) Share of gain (loss) of entities accounted for using equity method:

Fiscal year ended August 31, 2024: ¥(18) million Fiscal year ended August 31, 2023: ¥(1,107) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2024	54,045	25,593	47.4	1,096.57
As of August 31, 2023	44,863	21,779	48.5	933.14

(Reference) Equity: As of August 31, 2024: ¥25,593 million

As of August 31, 2023: ¥21,779 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
August 31, 2024	10,989	(2,385)	(2,335)	18,673
August 31, 2023	6,054	(3,849)	(11,502)	12,202

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
August 31, 2023	–	13.00	–	25.00	38.00	886	50.3	4.2
August 31, 2024	–	20.00	–	41.00	61.00	1,442	30.9	6.0
Fiscal year ending August 31, 2025 (Forecast)	–	23.00	–	44.00	67.00		30.3	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2025 (September 1, 2024 to August 31, 2025)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	42,400	11.5	2,860	11.6	2,770	6.6	1,810	16.3	77.55
Full year	90,100	8.6	8,500	8.5	8,310	7.4	5,230	11.9	224.08

* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: 1 company (Company name) Yamato Technical Co., Ltd.
 Excluded: 1 company (Company name) FITTINGBOX S.A.
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than the 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury stock):
 August 31, 2024: 23,980,000 shares
 August 31, 2023: 23,980,000 shares
 - 2) Total number of treasury stock at the end of the period:
 August 31, 2024: 640,064 shares
 August 31, 2023: 639,866 shares
 - 3) Average number of shares during the period:
 Fiscal year ended August 31, 2024: 23,340,061 shares
 Fiscal year ended August 31, 2023: 23,340,152 shares

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

*This financial report is outside the scope of audit by Certified Public Accountants or an Audit firm.

*Explanation of the proper use of financial results forecast and other notes

Forward-looking statements in this document, such as the financial results forecast, are based on information currently available to the Group and certain assumptions that the Group has deemed reasonable. These statements are not intended as the Group's commitment to achieve them, and actual performance may differ significantly due to various factors.

For the assumptions for financial results forecast and precautions for using financial results forecast, please refer to "(4) Future Outlook" on page 6 of the attached document.

The Company plans to hold a financial results briefing for analysts and institutional investors on October 11, 2024. Financial results materials to be used at the briefing will be available on the Company's website immediately after the session.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Under Review

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 Company and its consolidated subsidiaries (collectively, the “Group”) took such initiatives as strengthening development of innovative products and advancing store development, which they identified as management issues. With regard to product development, we developed products that fit the usage scenarios encountered by our customers and provided new product value through initiatives such as “JINS 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 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, for the fiscal year ended August 31, 2024, the Company posted net sales of ¥82,999 million (up 13.3% year-on-year) partly thanks to the impact of new store openings in Japan and overseas. Operating profit was ¥7,836 million (up 61.7% year-on-year) due to an increase in net sales among others, ordinary profit came to ¥7,735 million (up 106.9% year-on-year), and profit attributable to owners of parent was ¥4,671 million (up 165.1% year-on-year).

Business results by segment are as follows:

Net sales by business segment

Segment	For the fiscal year ended August 31, 2024 (September 1, 2023 to August 31, 2024)	Percentage to the Company's net sales	Year-on-year change
Domestic eyewear business	¥64,293 million	77.5%	14.5%
Overseas eyewear business	¥18,705 million	22.5%	9.3%
Total	¥82,999 million	100.0%	13.3%

<Domestic Eyewear Business>

In the domestic eyewear business, as in the previous fiscal year, we stepped up sales activities targeting every customer visiting our store and saw more customers purchase optional lenses, such as “JINS Ultra-Thin Lenses,” double-sided aspherical lenses with the world’s highest level of refractive index. Sales were also driven by 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 15.21million 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 were ¥64,293 million (up 14.5% year-on-year), and segment operating profit was ¥7,791 million (up 74.5% year-on-year).

<Overseas Eyewear Business>

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

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

In Hong Kong, although net sales 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.

In terms of store development, the total number of stores overseas was 241 as of the end of the period under review, including 167 stores in China (12 openings and 17 closures), 61 in Taiwan (7 openings and 1 closure), 9 in Hong Kong (1 opening and 1 closure), and 4 in the United States (no openings or closures).

As a result, 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).

(2) Overview of Financial Position for the Fiscal Year Under Review
(Status of Assets, Liabilities and Net Assets)

Assets, liabilities and net assets at the end of the fiscal year under review are as follows.

(Millions of yen)

	End of the previous fiscal year	End of the fiscal year under review	Change	Change (%)
Total assets	44,863	54,045	9,182	20.5
Liabilities	23,083	28,451	5,367	23.3
Net assets	21,779	25,593	3,814	17.5

(a) 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.

(b) 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 ¥10,010 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 ¥10,010 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.

(c) 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.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash flows in the fiscal year under review were as follows.

Cash and cash equivalents as of the end of the fiscal year under review amounted to ¥18,673 million.

(Millions of yen)

	Previous fiscal year	Fiscal year under review	Change
Cash flows from operating activities	6,054	10,989	4,934
Cash flows from investing activities	(3,849)	(2,385)	1,463
Cash flows from financing activities	(11,502)	(2,335)	9,167

(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 opening and refurbishing of stores 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 ¥1,055 million in dividend payments and ¥746 million in repayments of installment payables.

(d) Trends in cash flow-related indicators

The trends in cash flow-related indicators of the Group are as follows.

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Equity ratio (%)	33.3	38.1	37.3	48.5	47.4
Equity ratio on market value basis (%)	328.8	324.8	186.9	183.9	230.7
Cash flows to interest-bearing liabilities ratio (%)	316.4	461.7	519.6	206.7	112.6
Interest coverage ratio (times)	53.7	28.6	30.0	43.3	82.5

Equity ratio: Equity/Total assets

Equity ratio on market value basis: Market capitalization/Total assets

Cash flows to interest-bearing liabilities ratio: Interest-bearing liabilities/Cash flows

Interest coverage ratio: Cash flows/Interest payments

(Notes) 1. Market capitalization is calculated by multiplying the final value of the share price at the end of the fiscal year by the total number of outstanding shares.

2. Among the liabilities recorded on the Consolidated Balance Sheets, interest-bearing liabilities refer to all liabilities for which interest is paid.

3. Figures used for cash flows and interest payments are the figures of “Cash flows from operating activities” and “Interest paid” recorded on the Consolidated Statements of Cash Flows.

(4) Future Outlook

Regarding the future outlook, in the social environment surrounding the Group, the Japanese economy is gradually recovering, although there are concerns about the impact on consumer spending of high prices due to the global inflationary trend triggered by the surge in commodity prices.

Amid these changes in the business environment, the Group is committed to promoting globalization, building customer journeys through new customer experiences, and enhancing management efficiency to achieve further growth.

Having made progress in its globalization efforts, including the decision to foray into the market in Socialist Republic of Vietnam, the Group will actively recruit global talent to continue to promote further globalization of its business activities.

We will also advance the development of innovative customer journeys through the opening of new customer experience stores, attractive products, effective promotions, and in-store purchasing experiences.

On the other hand, the factors leading to increased costs, such as rising labor costs due to revision of the minimum wage and rising prices of consumer goods, have become evident. In addition to ongoing efforts to improve store operations, we will promote optimization and efficiency in operations, such as product management and performance management at the headquarters, through making strategic investments in more advanced digitalization, with the aim of enhancing corporate value.

In terms of store strategies, we will continue to strengthen new store openings in areas where we have not yet opened stores and in suburban roadside areas, while promoting the establishment of stores that not only have high profitability and productivity but also can provide customers with an optimal purchasing experience. Regarding product strategy, we will focus on our standard products and work to strengthen planning and proposals for optional lenses that cater to customers' usage scenarios. In addition, we will pursue a pricing strategy with a balanced approach to improve gross profit margins. We will also continue to develop innovative products and promote the development of eyewear that can provide new value to our customers, such as an eyeglass-shaped, violet-light-emitting medical device designed to suppress the progress of myopia.

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 to improve profitability. In other countries and regions where we have stores, we will explore the possibility of new business models, not just new store openings.

For the fiscal year ending August 31, 2025, our forecast for the full year consolidated financial results is as follows: net sales of ¥90,100 million, operating profit of ¥8,500 million, ordinary profit of ¥8,310 million, and profit attributable to owners of parent of ¥5,230 million.

2. Basic Stance on Selection of Accounting Standards

In consideration of the comparability of consolidated financial statements between periods as well as the comparability between corporations, the Group has decided to continue preparing its consolidated financial statements based on Japanese accounting standards for the time being.

Regarding the application of IFRS, the Group will take appropriate actions by considering various circumstances both in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2023	As of 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	1,012	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)

	As of August 31, 2023	As of 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		
Common stock	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 Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Net sales	73,264	82,999
Cost of sales	17,001	18,554
Gross profit	56,263	64,444
Selling, general and administrative expenses	51,416	56,608
Operating profit	4,847	7,836
Non-operating income		
Interest income	52	17
Subsidy income	179	32
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	217	274
Loss on store closings	45	36
Impairment loss	511	648
Loss on valuation of investment securities	4	28
Provision of allowance for business structure reform expenses	–	61
Loss due to temporary store closures	73	–
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
Profit	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)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Profit	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	(85)	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
For the fiscal year ended August 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of period	3,202	3,228	18,623	(5,003)	20,051
Changes during period					
Dividends of surplus			(303)		(303)
Profit attributable to owners of parent			1,762		1,762
Purchase of treasury stock				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(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					
Total changes during period	—	(0)	1,458	(0)	1,458
Balance at end of period	3,202	3,228	20,081	(5,003)	21,509

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	189	166	355	20,406
Changes during period				
Dividends of surplus				(303)
Profit attributable to owners of parent				1,762
Purchase of treasury stock				(0)
Change in ownership interest of parent due to transactions with non-controlling interests				(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	(95)	9	(85)	1,372
Balance at end of period	93	175	269	21,779

For the fiscal year ended August 31, 2024

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of period	3,202	3,228	20,081	(5,003)	21,509
Changes during period					
Dividends of surplus			(1,056)		(1,056)
Profit attributable to owners of parent			4,671		4,671
Purchase of treasury stock				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests					–
Change in scope of consolidation		(5)	(61)		(66)
Change in scope of equity method			122		122
Disposal of treasury stock to stock granting trust		(962)		2,345	1,383
Acquisition of treasury stock by stock granting trust				(1,383)	(1,383)
Transfer of loss on disposal of treasury stock		940	(940)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(27)	2,736	961	3,670
Balance at end of period	3,202	3,201	22,818	(4,041)	25,180

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	93	175	269	21,779
Changes during period				
Dividends of surplus				(1,056)
Profit attributable to owners of parent				4,671
Purchase of treasury stock				(0)
Change in ownership interest of parent due to transactions with non-controlling interests				–
Change in scope of consolidation				(66)
Change in scope of equity method				122
Disposal of treasury stock to stock granting trust				1,383
Acquisition of treasury stock by stock granting trust				(1,383)
Transfer of loss on disposal of treasury stock				–
Net changes in items other than shareholders' equity	(16)	159	143	143
Total changes during period	(16)	159	143	3,814
Balance at end of period	77	335	413	25,593

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,884	7,202
Depreciation	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)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	53	(167)
Repayments of long-term borrowings	(159)	(41)
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 change on cash and cash equivalents	69	108
Net increase (decrease) in cash and cash equivalents	(9,227)	6,377
Cash and cash equivalents at 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 end of period	12,202	18,673

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

I. 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 each subsidiary is in charge of sales of eyewear via stores, online, and other channels.

II. 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 followed in the preparation of the consolidated financial statements.

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

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

For the fiscal year ended August 31, 2023

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Consolidated (Note 2)
	Domestic eyewear business	Overseas eyewear business	Total		
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	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, etc. 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.

For the fiscal year ended August 31, 2024

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Consolidated (Note 2)
	Domestic eyewear business	Overseas eyewear business	Total		
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	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, etc. 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.

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

For the fiscal year ended August 31, 2023

(Significant loss on impairment of non-current assets)

Impairment loss amounted to ¥415 million in the “domestic eyewear business” segment and ¥96 million in the “overseas eyewear business” segment.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

For the fiscal year ended August 31, 2024

(Significant loss on impairment of non-current assets)

Impairment loss amounted to ¥190 million in the “domestic eyewear business” segment and ¥457 million in the “overseas eyewear business” segment.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Per Share Information)

Item	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Net assets per share	¥933.14	¥1,096.57
Earnings per share	¥75.50	¥200.17
Diluted earnings per share	¥69.42	¥190.97

(Notes) 1. Earnings per share and diluted earnings per share are calculated as follows.

Item	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
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 common stock (millions of yen)	1,762	4,671
Weighted-average number of shares of common stock outstanding during the year (shares)	23,340,152	23,340,061
Diluted earnings per share	¥69.42	¥190.97
Adjustment for profit attributable to owners of parent (millions of yen)	(30)	(6)
[Out of the above: Interest income (after deducting tax) (millions of yen)]	[(30)]	[(6)]
Increase in number of shares of common stock (shares)	1,610,792	1,087,311
[Out of the above: Convertible bond-type bonds with share acquisition rights (shares)]	[1,610,792]	[1,087,311]
Overview of dilutive shares not included in calculation of diluted earnings per share due to lack of dilutive effect		–

2. Net assets per share is calculated as follows.

Item	End of the previous fiscal year (August 31, 2023)	End of the fiscal year under review (August 31, 2024)
Net assets (millions of yen)	21,779	25,593
Amount deducted from net assets (millions of yen)	–	–
Net assets at the year-end related to common stock (millions of yen)	21,779	25,593
Number of shares of common stock at the year end used for the calculation of net assets per share (shares)	23,340,134	23,339,936

(Significant Subsequent Events)

Not applicable.

4. Other Notes

(1) Transfers of Officers

- (i) Transfers of Representative Directors
Not applicable.

- (ii) Transfers of Other Officers

This information will be disclosed once the disclosure details are finalized.