

Last Update: November 30, 2022

JINS HOLDINGS Inc.

Hitoshi Tanaka, CEO and Representative Director

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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, and strived to generate new corporate value for contributing to society. While the environment surrounding the Company is changing rapidly, we intend to capture these changes and promote a sustainable business in international and local societies to fulfill our corporate social responsibility.

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

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

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

The following is described based on the revised Corporate Governance Code as of June 2021.

(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 to achieve sustainable growth. Therefore, even if we have formulated a medium-term business plan and published numerical targets, we believe that said numerical values have limited effectiveness. Rather, we do not publish a medium-term business plan because we believe that the disclosure of numerical targets could cause shareholders and investors to make judgments which are in contrast to intentions of the Company. Conversely, regarding the difference between the single-year business plan and the actual figures, we discuss appropriate measures through monitoring at the Board of Directors 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 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 commensurate with the Company at the Nomination and Compensation Committee in the future based on suggestions from Independent Outside Directors.

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

(Principle 1-4: Cross-shareholdings)

Although the Company's basic policy is not to own listed shares as cross-shareholdings, it may hold shares of some companies as deemed necessary for the purpose of maintaining and strengthening product development and other transactions as it aims for sustainable growth of the Group and enhancement of corporate value over the medium to long term. As of the end of the fiscal year ended August 31, 2022, the Company owned one issue of listed shares (258 million yen) as cross-shareholdings. These are newly listed shares and are originally unlisted shares of a company that we had owned to stabilize the relationship of joint development. It is difficult to describe the quantitative effect of cross-shareholdings. The Company will assess and judge the rationality of cross-shareholdings in view of the benefit and risk of such holdings and other factors, in addition to the natures and scale of transactions from a medium- to long-term perspective.

(Principle 1-7: Transactions between related parties)

Competitive transactions by Directors and transactions involving conflicts of interest between Directors and the Company require a resolution by the Board of Directors based on applicable laws and the Board of Directors Regulations.

(Supplementary Principle 2-4-1)

The Company believes that, in planning, manufacture, 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.

To create an environment in which diverse employees feel comfortable to work, we are implementing various initiatives to promote diversity, such as LGBT training, career training, and systems to help female employees succeed (childcare leave system, super-flex workhours system without fixed core time, and working from home). Also, the Company revised the base hourly wage (the minimum hourly wage of all employees and part-time employees of the Company) for associate employees who are on fixed-term employment (fixed-term employees of six months or less with welfare benefits) and part-time employees across the nation to equal the standard level of Tokyo, thereby improving employee treatment and contributing to local economies. We also focus on creating an 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 national qualification of comprehensive eyewear expert, newly 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 and in ESG data books, 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 ratio of female employees, the ratio of managers, and the ratio of employees with foreign nationalities, and our goals and directions for 2030 and 2050.

(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 and Auditor, the most 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 and Auditor, the career background of each candidate, and the skill matrix of each Director are described in the convocation notice of the General Meeting of Shareholders. 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. We also started to describe the skill matrix of each Executive Officer in the convocation notice of the General Meeting of Shareholders held on November 29, 2022.

(Supplementary Principle 3-1-3)

The Company discloses the state of initiatives on sustainability on its corporate website and in its ESG data books. 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 "Initiatives based on the TCFD framework" and "Sustainability Report."

· Initiatives based on the TCFD framework: https://jinsholdings.com/jp/common/file/2022_tcf_report_en.pdf

· Sustainability Report: https://jinsholdings.com/jp/common/file/2022_sustainability_databook_en.pdf

(Supplementary Principle 4-1-1)

In addition to the matters stipulated 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 three Independent Outside Directors among five Directors with Independent Outside Directors comprising a majority. The nomination and remuneration of Directors and Auditors 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 eight Directors. The Company's Board of Directors is composed of five Directors (including three Outside Directors) who are human resources possessing diverse knowledge and experience, and possessing 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 in the convocation notice of the General Meeting of Shareholders held on November 29, 2022.

(Supplementary Principle 4-11-2)

Concurrent appointment as officers of other listed corporations for the Directors and Auditors 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 evaluated the effectiveness of the Board of Directors as follows with the aim of enhancing the effectiveness and functionality of the Board of Directors as a whole.

(i) Evaluation process

As a voluntary advisory body to the Board of Directors, the Board of Directors Effectiveness Evaluation Committee (hereinafter, "the Committee") consisting of Independent Officers was established to evaluate the effectiveness of the Board of Directors. The Committee shared evaluation results and issues with the Board of Directors, and confirmed future initiatives.

(Evaluation method)

- The Committee analyzes and evaluates the following evaluation items by exchanging opinions, and summarizes issues requiring future action.
- At a meeting of the Board of Directors, the Committee shares its analysis/evaluation results and identified issues with the Board of Directors to make decisions on future initiatives.

(Evaluation items)

- (1) Appropriate size and composition of the Board of Directors
- (2) Issues in enhancing the effectiveness of the Board of Directors from the aspects of management strategies, operations and supervisory functions

(ii) Overview of evaluation results

As a result of discussions on the appropriate size and composition of the Board of Directors, and issues in enhancing the effectiveness of the Board of Directors from the aspects of management strategies, operations and supervisory functions based on the evaluation process described above, the Committee determined that the Company's Board of Directors has generally been operating and functioning appropriately, and that the effectiveness of the entire Board of Directors has been ensured. Regarding the appropriate size and composition of the Board of Directors, while the Board will consist of five persons after the decrease of one Director (decrease of one Inside Director) at the General Meeting of Shareholders held on November 29, 2022, all the Committee members commented that there is no problem with the size and composition, concluding that appropriate size and composition has been ensured. In view of the Company being comprised of a single business with limited risks, the Committee has determined that the current size is sufficiently efficient as it allows for active exchange of opinions.

As for the issues in enhancing the effectiveness of the Board of Directors from the aspects of management strategies, operations and supervisory functions, the Committee expressed the opinion that the Board is fully ready for discussion from the aspect of management strategies, including sustainability and risk management. Regarding the involvement in a succession plan from the aspect of supervisory functions, the Committee's opinion was that the Board should deepen discussion on a CEO succession plan in a way commensurate with the Company, with the participation of Inside Directors. It was confirmed that we would deepen discussion on a CEO succession plan with the involvement of Inside Directors at the meetings of the Nomination and Compensation Committee and elsewhere.

Regarding the medium- to long-term direction of each business and the periodic reporting on the state of corporate governance including sustainability, which were presented as issues in the previous fiscal year, the Committee concluded that the periodic reporting on each business had improved as a whole, with substantial discussion held on the U.S. business and reporting made on sustainability. Accordingly, it is the Committee's opinion that effectiveness in FY2022 was valid.

By continuously deepening discussions on the following items that were identified as future challenges by the Committee, the Company will strive to further enhance the effectiveness of the Board of Directors.

- (1) Discussion on new businesses, including capital and business alliance partners
- (2) Discussion on medium- to long-term key strategies

(Supplementary Principle 4-14-2)

In response to requests by Directors and Auditors, the Company shall provide Directors and Auditors 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. The Chief Financial Officer (CFO) serving as General Manager of Corporate Planning Division oversees the general dialogue with shareholders and works to enhance dialogue by assigning an Executive Officer to the IR Division and 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 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 management team explains the Company's financial situation and management policy to shareholders and investors.
- (ii) Dialogue methods other than individual meetings:
In addition to holding biannual financial results briefings for institutional investors, the Company uses a website to disclose 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 management team and the Board of Directors, and is shared with Directors and 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 homepage.

2. Capital Structure

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

Name / Company Name	Number of Shares Owned	Percentage (%)
Hitoshi Tanaka	8,104,000	34.72
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,725,400	11.68
MARS G.K.	1,200,000	5.14
TAIYO FUND, L.P.	810,500	3.47
Jupiter Corporation	600,000	2.57
Venus Corporation	600,000	2.57
Yutaka Nakamura	480,000	2.06
NORTHERN TRUST CO.(AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	431,500	1.85
Custody Bank of Japan, Ltd. (Trust Account)	363,000	1.56
TAIYO HANEI FUND, L.P.	356,900	1.53

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

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section Updated	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 Auditors
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Eight
Term of Office Stipulated in Articles of Incorporation	Two years
Chairperson of the Board	President
Number of Directors Updated	Five
Appointment of Outside Directors	Appointed
Number of Outside Directors	Three
Number of Independent Directors	Three

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												

* 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 subsidiaries
- 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 listed 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) Updated

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Noboru Kotani	○	-	<p>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.</p>
Jiro Kokuryo	○	-	<p>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.</p>

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
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 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.

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

[Auditors]

Establishment of Board of Auditors	Established
Maximum Number of Auditors Stipulated in Articles of Incorporation	Four
Number of Auditors	Three

Cooperation among Auditors, Accounting Auditors and Internal Audit Departments

The Internal Audit Division, which is an internal audit department, and Auditors periodically exchange opinions once a month to understand the state of internal controls and exchange information on other important matters.

Auditors and the Accounting Auditor exchange opinions four times a year on whether there are any issues from audits and future challenges.

The Internal Audit Division and the Accounting Auditor regularly exchange opinions on basic matters in audit plans and evaluation of internal controls. In addition, the Company strives to enhance the sharing of information and cooperation by having Auditors and the Internal Audit Division staff attend the Accounting Auditor's audit comment sessions, as well as through exchanges of information among the three parties as necessary.

Appointment of Outside Auditors	Appointed
Number of Outside Auditors	Three
Number of Independent Auditors	Two

Outside Auditors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masatoshi Arimura	From another company										△			
Tsuguya Ota	CPA													
Tetsuya Oi	Lawyer										○			

* Categories for "Relationship with the Company"

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

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

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

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

a. Executive of the Company or its subsidiary

b. Non-executive Director or accounting advisor of the Company or its subsidiaries

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

d. Auditor of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

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

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

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

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

- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Auditor himself/herself only)
- k. Executive of a company, between which and the Company Outside Officers are mutually appointed (the Auditor himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Auditor himself/herself only)
- m. Others

Outside Auditors' Relationship with the Company (2)

Name	Designation as Independent Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
Masatoshi Arimura		–	Mr. Arimura has been appointed as an Outside Auditor in the hopes that he will realize more appropriate audits by leveraging his wealth of experience and knowledge, including decades of professional experience at a financial institution and management experience at its affiliates.
Tsuguya Ota	○	–	Mr. Ota has been appointed as an Outside Auditor with the expectation that he will provide oversight of and recommendations on the Company's overall management based on his years of experience and insight as a certified public 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 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.
Tetsuya Oi	○	–	Mr. Oi is an attorney-at-law, and he has been appointed as an Outside Auditor with the expectation that he will fulfill audit functions on the Company's management from a professional standpoint based on his wealth of knowledge and experience as a legal professional.

[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**Supplementary Explanation**

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[Director Remuneration]

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

Remuneration for the Company's Directors and Auditors pertaining to the fiscal year ended August 31, 2022

Remuneration paid to Directors (excluding Outside Directors): 88 million yen

Remuneration paid to Outside Directors and Outside Auditors: 46 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 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 of the scope of responsibilities, business results, level of contribution, and other factors, within the scope of the maximum amount of remuneration determined by resolution of the General Meeting of Shareholders.

Remuneration for Auditors is determined by discussion by the Board of Auditors within the scope of the maximum amount of remuneration determined by resolution of the General Meeting of Shareholders.

[Supporting System for Outside Directors and/or Auditors]

Communication with Outside Directors and Outside Auditors are handled by the Secretary Group. The Company also shares information with some Outside 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) **Updated**

1. Overview of the current system

The Company is a company with a Board of Auditors and Accounting Auditor, and is operated by a governance structure centered around the Board of Directors with cooperation of the Board of Auditors, the Internal Audit Division, the Accounting Auditor, and other relevant departments, as it strives to enhance the corporate governance system.

Currently, five Directors (three of whom are Outside Directors) and three Auditors (all of whom are Outside Auditors) are appointed as officers of the Company.

Meetings of the Board of Directors are generally held once a month, and extraordinary meetings of the Board of Directors are held as needed. At meetings of the Board of Directors, important managerial decisions are made and the state of business execution is reported, with each Director actively participating in discussions. In addition, Auditors also attend meetings of the Board of Directors to state their opinions, demonstrating an appropriate oversight function on the state of execution of duties by Directors.

Meetings of the Board of Auditors are generally held once a month, at which Auditors exchange their opinions. The Company strives to enhance audits by improving communication among Auditors, such as by sharing management information and the state of conducting audits based on audit plans.

The Company expects Outside Directors and Outside Auditors to provide checks and balances as one of their functions and roles in corporate governance, to improve appropriateness and efficiency of the execution of duties by Directors. The Company has designated five officers, namely Outside Directors Noboru Kotani, Jiro Kokuryo, and Chiaki Hayashi, and Outside Auditors Tsuguya Ota and Tetsuya Oi, as Independent Officers because they have strong independence with no concerns of conflicts of interest with general shareholders.

2. State of initiatives to enhance functions of Auditors

The Company holds meetings of the Board of Auditors as frequently as ordinary meetings of the Board of Directors to oversee and supervise the execution of duties by Directors.

To increase the effectiveness of audits and enhance functions of Auditors, Auditors attend ordinary and extraordinary meetings of the Board of Directors, as well as management committee meetings and various committee meetings such as meetings of the Governance Supervision Committee, and enhance opportunities for collecting information by reviewing approval documents and various reports from each department within the Company.

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, 2022 are as follows.

(Names of certified public accountants who engaged in audits)

Naohiko Kataoka, 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 four certified public accountants and 16 others.

3. Reasons for Adoption of Current Corporate Governance System **Updated**

The Company has adopted the Board of Auditors system to have a Full-time Auditor conduct daily audits, and developed a system in which three Outside Auditors including the Full-time Auditor cooperate with the Accounting Auditor and a department in charge of internal audit to audit the execution of duties by Directors.

The Company has adopted the current system because it believes that appropriate corporate governance has been ensured with this system.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
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.

2. IR Activities **Updated**

	Supplementary Explanations	Explanations Provided by the Representative
Regular Investor Briefings for Analysts and Institutional Investors	Briefing sessions for analysts and institutional investors are held twice a year, once after the announcement of full-year financial results and once after the announcement of second quarter financial results. The briefing materials are immediately posted on the Company's IR website.	Yes
Posting of IR Materials on Website	https://jinsholdings.com/jp/en/ir/ 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	Department in charge of IR (manager): Investor Relations Division, Corporate Planning Division (Mikiya Yamawaki, Executive Officer and General Manager, Investor Relations Division)	

3. Initiatives for Respecting the Position of Stakeholders **Updated**

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has 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 in compliance with rules for timely disclosure, the Financial Instruments and Exchange Act, and other related laws, and to prevent the leakage of important information and illegal insider transactions.
Implementation of Environmental Activities, CSR Activities etc.	<p>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.</p> <p>Furthermore, in order to revitalize the city of Maebashi, we established the Taiyo no Kai (Sun Association) together with companies that have head offices and main bases in Maebashi. Every year, we donate 1% of our net profit (minimum of 1 million yen) to invest in businesses that contribute to the development of Maebashi.</p> <p>We also collect and recycle eyeglasses that are no longer used.</p> <p>In March 2022, we issued and disclosed on our website the Sustainability Report, which introduces the Company's initiatives for sustainability.</p>

IV. Matters Related to the Internal Control System

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

Basic policy regarding internal controls

1. System for ensuring that Directors and employees perform their duties in compliance with applicable laws and the Articles of Incorporation
To enable the Company to build trust and obtain high evaluation from the market, the Company establishes and maintains necessary systems as defined below, based on the JINS Group Code of Ethical Conduct, which has been established to ensure that all officers and employees working at the Company, its subsidiaries and affiliates (hereinafter, collectively referred to as the “JINS Group”) are proactively refining and improving their organizations, as well as proactively resolving issues from the perspectives of ethics and compliance with laws.
 - (1) The Company has established a Compliance Group as a dedicated department for handling compliance-related issues within the Legal Section of the Administration Division.
 - (2) The Company has established a Compliance Committee chaired by the General Manager of the Administration Division, and develops a system whereby each department appropriately reports on the status of its compliance-related activities. The chairperson of the Compliance Committee periodically reports on the Committee agenda to a Governance Supervision Committee. The Governance Supervision Committee periodically reports the information of each committee to the CEO, the Board of Directors and the Board of Auditors.
 - (3) The Company has established a Compliance Hotline within the Compliance Group and external specialized institutions as a system to receive reports directly and respond to consultation from employees and other persons. The Company has stipulated that the contents of all whistleblowing reports are kept confidential and whistleblowers are not subjected to any unfair treatment.
 - (4) Based on internal rules, an internal audit department periodically conducts internal audits on the overall status of operations; specifically, the status of compliance with laws and regulations, the Articles of Incorporation, and internal rules, as well as the appropriateness of procedures for executing duties and of business contents. The internal audit department then reports the results of said audits to the CEO, the Board of Directors and the Board of Auditors.
 - (5) 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. System for storing and managing information related to the execution of duties by Directors
The Company develops, constructs and maintains a system for storing and managing information related to the execution of duties by Directors.
 - (1) The Company has stipulated the Document Management Regulations, and in accordance with which the Company records or stores, and manages information related to the execution of duties by Directors in documents or electromagnetic media (hereinafter, “Documents, etc.”).
 - (2) 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.
 - (3) Directors and Auditors shall be able to view Documents, etc., at any time.
3. Regulations and other systems for managing the risk of loss
The Company shall stipulate basic policies and systems regarding business risk management in accordance with the Risk Management Regulations, and develops, constructs and maintains a risk management system in accordance with the Regulations.
 - (1) The Company established a Risk Management Group as a dedicated department tasked with managing risks within the Governance Promotion Section in the Governance Division.
 - (2) The Company established a Governance Supervision Committee chaired by the CEO, thereby developing a system to appropriately collect information on and deliberate activities related to each committee, and to discuss and decide on countermeasures thereto. The Governance Supervision Committee reports the contents of each committee’s agenda periodically to the CEO, the Board of Directors and the Board of Auditors.

- (3) In order to ensure business continuity, the Company shall establish Management Risk Countermeasure Guidelines and develop a risk management system.
4. System to ensure that Directors execute their duties efficiently
The Company develops, constructs and maintains a system to ensure that Directors execute their duties efficiently.
 - (1) The Company will formulate a medium-term business plan and a single-year business plan in order to define a company-wide future vision in response to changes in the business environment.
 - (2) In order to achieve these plans, the Company shall clarify the authority and duties of Directors, and shall improve the efficiency of execution of duties.
 - (3) By implementing an executive officer system, the Company shall strive to strengthen the supervisory function of Directors through delegation of authority for executing certain business operations. Furthermore, a management committee, which consists of executive and other officers and is chaired by the CEO, shall be held under the Board of Directors. The management committee shall engage in advance deliberations for enhancing discussions at the Board of Directors. Also, within the extent of authority delegated by the Board of Directors, the management committee shall deliberate and make decisions on the execution of the Company's business and implementation of measures.
5. System to ensure the appropriateness of business in the corporate group consisting of the Company and affiliates
The Company develops, constructs and maintains a system to ensure the appropriateness of business in the JINS Group.
 - (1) Striving to grow and prosper the overall business, the Company has defined the Affiliates Management Regulations and develops and constructs systems for efficient execution of business at its subsidiaries and affiliates (hereinafter, collectively referred to as the "Affiliates").
 - (2) In accordance with the Affiliates Management Regulations, the person in charge and the supervisory department manage and provide guidance to the Affiliates through prior consultation, reporting, and meetings.
 - (3) Affiliates with a high degree of importance for the Group's business performance give periodic reports on management results and other important matters, at a management liaison conference which is attended by the Company's full-time Directors, full-time Auditors, executive officers, and management team from the applicable Affiliates.
 - (4) In the event of disasters and accidents, at the Affiliates as stipulated in the Management Risk Response Guidelines, the Company promptly establishes a countermeasure headquarters and takes necessary actions.
 - (5) The Company applies the JINS Group Code of Ethical Conduct and the Guidelines for Code of Ethics to all officers and employees of the JINS Group, and has ensured that all applicable individuals are aware of the ethical codes.
 - (6) An internal audit department periodically audits the status of operations at the Affiliates.
6. Matters relating to employees in the event that an Auditor requests assignment of that employee for assistance in duties
If an Auditor requests the assignment of an employee for assisting in the operation of the Board of Auditors or in the execution of other duties (hereinafter, "Assistant to Corporate Auditor"), an Assistant to Corporate Auditor is promptly assigned after consulting with the Auditor.
7. Matters related to the independence of Assistant to Corporate Auditor from Directors and matters related to ensuring the effectiveness of instructions from Auditors
 - (1) Consent shall be obtained in advance from the Auditor in regards to the transfer or personnel evaluation of an Assistant to Corporate Auditor.
 - (2) An Assistant to Corporate Auditor who has received an order necessary for auditing work from an Auditor shall possess the authority to view documents, enter the audit site, etc., within the scope necessary to perform the duties of the Assistant to Corporate Auditor.
8. System for Directors, Executive Officers and other employees to report to Auditors and other systems

related to reporting to Auditors

- (1) Directors and Executive Officers shall periodically report the status for execution of their duties to Auditors. In addition to legal matters, Directors shall immediately report to Auditors on the details of decisions that may have a significant impact on finance and business.
 - (2) An employee shall be able to report directly to Auditors in regards to facts, etc., that may cause significant damage to the Company.
 - (3) From among whistleblowing reports received, the person in charge of the Compliance Hotline communicates with Auditors in regards to matters related to the duties of Directors.
 - (4) Auditors attend meetings of the Compliance Committee.
9. System for Directors and employees of Affiliates to report to Auditors
- (1) Similar to the Directors and employees of the Company, the Directors, Auditors and employees of the Affiliates promptly report to Auditors of the Company if any facts that have a significant impact on each company occur or are likely to occur.
 - (2) As necessary, Auditors of the Company shall be able to request reports on the contents of business execution from Directors and employees of the Affiliates, and reports on the status of audits from Auditors of the Affiliates. However, in the event of any provisions differing from the foregoing policy stipulated in the agreements to be concluded between the Company and the Affiliates, the provisions in such agreements shall prevail.
 - (3) The Company has established a system to ensure that persons who have reported to Auditors as stipulated in 8. and 9. do not incur unfavorable treatment at the Company or the Affiliates because of the report.
10. Matters related to the procedures for prepaying or redeeming expenses arising from execution of duties by Auditors, as well as policies related to the processing of expenses or obligations arising from the performance of such duties
- When an Auditor requests advance payment of expenses for the execution of duties per Article 388 of the Companies Act, the Company promptly processes the request.
11. Other systems to ensure that audits by Auditors are conducted effectively
- (1) Directors and employees of the Company and Directors, Auditors, and employees of the Affiliates shall actively cooperate with audits by Auditors of the Company, report on the status of business operations, and disclose materials related to their duties. However, in the event of any provisions differing from the foregoing policy stipulated in the agreements to be concluded between the Company and the Affiliates, the provisions in such agreements shall prevail.
 - (2) Auditors periodically exchange opinions with the CEO in order to exchange information and confirm the status of business execution.
 - (3) Based on necessary consultation with Accounting Auditors, lawyers, or other external experts, Auditors propose important improvements to the Board of Directors.
12. System to ensure the reliability of financial reports
- In order to ensure the reliability of financial reports and to effectively and appropriately submit internal control reports as stipulated in the Financial Instruments and Exchange Act, the Company shall act under the direction of the CEO to maintain and operate an internal control system for financial reports, and shall work to evaluate and improve said system.

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

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 and Labor Affairs Section of 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 basic 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 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 to submit a sworn statement at recruitment interviews confirming that they are not involved with anti-social forces. In addition, the Company checks if there have been any changes to the environment surrounding each employee through biannual human resources interviews. 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 demand, 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

At this time, the Company does not plan to introduce specific anti-takeover measures.

2. Other Matters Concerning to Corporate Governance System **Updated**

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 shall strive to provide information that will affect investment decisions, including decisions made, events 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 an Information Management Committee, comprised of the manager responsible for information management, information administrators, and those appointed by the manager responsible for information management, 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 and Finance Section 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 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 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 Information Management Committee, and the Information Management Committee evaluates the reported information and determines whether there is a need for disclosure. Upon discussing the contents, timing, and wording of disclosure, the Information Management Committee reports to the Board of Directors.

(3) Approving and resolving disclosure

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

However, out of company information, monthly sales overview, as well as serious accidents, disasters, and other events 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.

