

Semi-annual Securities Report

(Interim Period of the 38th Fiscal Year)

JINS HOLDINGS Inc.

This document was prepared based on the Company's Quarterly Securities Report in Japanese.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

[Cover Page]

[Document title]	Semi-annual Securities Report
[Article of the applicable law requiring submission of this document]	Item 1 in the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed to]	Director-General of the Kanto Local Finance Bureau
[Filing date]	April 11, 2025
[Interim accounting period]	Interim period of the 38th term (from September 1, 2024 to February 28, 2025)
[Company name]	JINS HOLDINGS Inc.
[Company name in English]	JINS HOLDINGS Inc.
[Title and name of representative]	Hitoshi Tanaka, President and CEO
[Address of registered headquarters]	26-4 Kawaharamachi 2-chome, Maebashi-shi, Gunma (This is the address of the registered head office, but the actual business is conducted at the nearest place of contact.)
[Telephone number]	Not applicable
[Name of contact person]	Not applicable
[Nearest place of contact]	Yasuda Sequence Tower, 1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo
[Telephone number]	+81-3-6890-4800 (main number)
[Name of contact person]	Motoaki Nakatani, Managing Executive Officer and CFO
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. Company Information

I. Overview of Company

1. Key financial data

Term		37th term Interim period	38th term Interim period	37th term
Accounting period		From September 1, 2023 to February 29, 2024	From September 1, 2024 to February 28, 2025	From September 1, 2023 to August 31, 2024
Net sales	(millions of yen)	38,018	44,832	82,999
Ordinary profit	(millions of yen)	2,598	5,221	7,735
Profit attributable to owners of parent	(millions of yen)	1,556	3,785	4,671
Comprehensive income	(millions of yen)	1,398	3,664	4,815
Net assets	(millions of yen)	22,650	28,293	25,593
Total assets	(millions of yen)	46,485	50,142	54,045
Earnings per share	(yen)	66.69	162.17	200.17
Diluted earnings per share	(yen)	63.58	-	190.97
Equity ratio	(%)	48.7	56.4	47.4
Net cash provided by (used in) operating activities	(millions of yen)	3,711	3,868	10,989
Net cash provided by (used in) investing activities	(millions of yen)	(1,551)	(3,372)	(2,385)
Net cash provided by (used in) financing activities	(millions of yen)	(1,359)	(7,773)	(2,335)
Cash and cash equivalents at the end of period	(millions of yen)	13,203	11,399	18,673

- (Notes) 1 As the Company prepares the interim consolidated financial statements, the description of key financial data of the submitting company is omitted.
- 2 In the calculation of earnings per share and diluted earnings per share, 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 average number of shares during the period.
- 3 Diluted earnings per share for the 38th interim period is not presented because there are no dilutive shares.

2. Description of business

There are no significant changes in the description of business which the Company group (the Company and the Company's affiliates; hereinafter, the "Group") operates during the six months ended February 28, 2025.

In addition, there are no changes in major affiliates.

II. Overview of Business

1. Business risks

In the six months ended February 28, 2025, there were no matters that may have a significant impact on the judgment of investors in the overview of business, financial information and other matters stated in this Semi-annual Securities Report or no significant changes in “Business Risks” stated in the Annual Securities Report for the previous fiscal year.

In addition, there were no material events.

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

Forward-looking statements in this document are based on the Group’s judgments as of the end of the interim period under review.

(1) Financial position and operating results

During the six months ended February 28, 2025 (September 1, 2024 to February 28, 2025), the Japanese economy showed a moderate recovery, which was backed by the improvement in the employment and income environment and the expansion of inbound demand, although sufficient attention should be paid to the impact on the economy of continued price increases and fluctuations in financial and capital markets such as foreign exchange rates and interest rates. Looking at the global economy, while rising prices, fluctuations in financial and capital markets and other factors continue to affect the economy, China in particular has seen slower growth mainly due to the prolonged stagnation in the real estate market and sluggish personal consumption, 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.

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 small shopping malls and station buildings. For overseas locations, we opened stores in regions where we had not yet done so, while in some regions we closed unprofitable stores or developed a dominant position, taking into account market conditions and the status of competition in countries and regions globally.

In terms of store development, the number of stores as of February 28, 2025, was 761, including 509 stores in Japan and 252 stores overseas (165 in China, 74 in Taiwan, 9 in Hong Kong, and 4 in the United States).

As a result, for the six months ended February 28, 2025, the Company posted net sales of ¥44,832 million (up 17.9% year-on-year) mainly due to higher net sales at existing stores in the domestic eyewear business. Operating profit was ¥5,155 million (up 101.1 % year-on-year), ordinary profit was ¥5,221 million (up 100.9 % year-on-year), and profit attributable to owners of parent was ¥3,785 million (up 143.2 % year-on-year), achieving increased sales and profits.

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

1) Business results by segment

<Domestic Eyewear Business>

In the domestic eyewear business, high-priced lenses and frames were strong mainly due to the strengthening of our effort to accommodate the rising inbound demand during the year-end and New Year period and the impact of continuous sales promotion campaigns.

In terms of store development, the number of stores in Japan was 509 (14 openings and no closures).

As a result, net sales of the domestic eyewear business were ¥34,781 million (up 20.2% year-on-year), and segment operating profit was ¥4,736 million (up 96.9% year-on-year).

<Overseas Eyewear Business>

In the overseas eyewear business, in China, our business restructuring efforts progressed, leading the Company's business performance to recover steadily.

In Taiwan, we accelerated the opening of stores not only in central parts of cities but also in rural areas, and continued to perform well.

In Hong Kong, earnings were lower than expected due to the economic downturn and an increase in outbound sales to China and Japan caused by the impact of foreign exchange rates.

In the United States, sales at existing stores remained steady, but operating results fell below expectations due to the impact of upfront investment and other factors.

In terms of store development, the total number of stores overseas was 252 as of the end of the period under review, including 165 stores in China (7 openings and 9 closures), 74 in Taiwan (13 openings and no closures), 9 in Hong Kong (no openings or closures), and 4 in the United States (no openings or closures).

As a result, net sales of the overseas eyewear business were ¥10,051 million (up 10.7% year-on-year), and segment operating profit was ¥418 million (up 165.6 % year-on-year).

2) Analysis of financial position

(a) Assets

Current assets fell ¥6,542 million from the end of the previous fiscal year to ¥25,711 million.

This was mainly due to decreases of ¥1,184 million in accounts receivable - trade and ¥7,274 million in cash and deposits, despite an increase of ¥1,087 million in merchandise and finished goods.

Non-current assets grew ¥2,639 million from the end of the previous fiscal year to ¥24,431 million.

This was mainly due to increases of ¥932 million in leasehold deposits and ¥599 million in property, plant and equipment such as buildings and structures as a result of the Group's expansion of retail stores.

As a result, total assets decreased ¥3,902 million from the end of the previous fiscal year to ¥50,142 million.

(b) Liabilities

Current liabilities fell ¥6,954 million from the end of the previous fiscal year to ¥18,708 million.

This was mainly due to a decrease from the redemption of ¥10,005 million in convertible bond-type bonds with share acquisition rights despite increases of ¥3,670 million short-term borrowings and ¥673 million in accounts payable - trade.

Non-current liabilities grew ¥352 million from the end of the previous fiscal year to ¥3,140 million.

This was mainly due an increase of ¥71 million in asset retirement obligations.

As a result, total liabilities decreased ¥6,601 million from the end of the previous fiscal year to ¥21,849 million.

(c) Net assets

Net assets were up ¥2,699 million from the end of the previous fiscal year to ¥28,293 million.

This was mainly due to the recording of ¥3,785 million in profit attributable to owners of parent despite a decrease of ¥969 million in the payment of dividends.

3) Cash flows

Cash and cash equivalents as of the end of the interim period under review decreased ¥7,274 million from the end of the previous fiscal year to ¥11,399 million. State of each cash flow and factors thereof are as follows:

(a) Cash flows from operating activities

Net cash provided by operating activities increased ¥156 million year on year to ¥3,868 million.

This was mainly due to an increase in funds resulting from the recording of ¥5,556 million in profit before income taxes and ¥1,398 million in depreciation and an increase of ¥679 million in trade payables, despite a decrease in funds due to ¥1,258 million of an increase in inventories and ¥1,940 million of income taxes paid.

(b) Cash flows from investing activities

Net cash used in investing activities increased ¥1,821 million year on year to ¥3,372 million.

This was mainly due to the use of ¥909 million in purchase of property, plant and equipment in line with the opening and refurbishing of stores, etc. and payments of leasehold and guarantee deposits of ¥1,106 million.

(c) Cash flows from financing activities

Net cash used in financing activities increased ¥6,414 million year on year to ¥7,773 million.

This was mainly due to a payment of ¥10,000 million for the redemption of convertible bond-type bonds with share acquisition rights despite an increase of funds resulting from the net increase of ¥3,710 million in short-term borrowings.

(3) Research and development activities

Total research and development expenses were ¥66 million for the interim period of the current fiscal year.

There was no material change in the Group's research and development activities during the interim period of the current fiscal year.

3. Material contracts, etc.

There was no decision or conclusion of material management contracts, etc. during the interim period under review.

III. Status of the Submitting Company

1. Status of Shares, etc.

(1) Total Number of Shares, etc.

1) Total Number of Shares

Class	Total number of authorized shares (shares)
Common stock	73,920,000
Total	73,920,000

2) Issued Shares

Class	As of the end of interim period (shares) (February 28, 2025)	As of the submission date (shares) (April 11, 2025)	Stock exchange on which the Company is listed	Details
Common stock	23,980,000	23,980,000	Tokyo Stock Exchange Prime Section	The number of shares constituting one unit: 100 shares
Total	23,980,000	23,980,000	-	-

(2) Status of Share Acquisition Rights, etc.

1) Details of the Stock Option Plan

Not applicable

2) Status of Other Share Acquisition Rights, etc.

Not applicable

(3) Status of Exercises of Moving Strike Convertible Bonds, etc.

Not applicable

(4) Changes in the Total Number of Shares Issued and the Amount of Common Stock, etc.

Date	Changes in the total number of shares issued (shares)	Balance of the total number of shares issued (shares)	Changes in common stock (millions of yen)	Balance of common stock (millions of yen)	Changes in legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
From September 1, 2024 to February 28, 2025	-	23,980,000	-	3,202	-	3,157

(5) Status of Major Shareholders

As of February 28, 2025

Name	Address	Number of shares held (shares)	Percentage of the number of shares held in the total number of shares issued (excluding treasury stock) (%)
Hitoshi Tanaka	Maebashi-shi, Gunma	8,104,831	34.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1 Akasaka 1-chome, Minato-ku, Tokyo	2,074,700	8.78
MARS G.K.	1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo	1,200,000	5.08
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	755,300	3.20
Jupiter Corporation	1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo	600,000	2.54
Venus Corporation	1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo	600,000	2.54
SMBC Nikko Securities Inc.	3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo	414,198	1.75
Shunichi Katono	Iwaki-shi, Fukushima	346,600	1.47
JP Morgan Securities Co., Ltd.	7-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo	327,318	1.38
THE BANK OF NEW YORK MELLON 140044	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A	315,505	1.33
Total	-	14,738,002	62.34

- (Notes) 1 The number of shares held by The Master Trust Bank of Japan, Ltd. of 2,074,700 shares relates to trust operations. These shares include 16,700 shares held in pension trusts, 660,100 shares held in investment trusts, and 1,397,900 shares held in other trusts.
- 2 The number of shares held by Custody Bank of Japan, Ltd. of 755,300 shares relates to trust operations. These shares include 34,900 shares held in pension trusts, 336,600 shares held in investment trusts, and 383,800 shares held in other trusts.
- 3 The Company has introduced a “Stock Granting Trust (J-ESOP),” in which Japan Custody Bank, Ltd. (Trust Account E) holds 299,119 shares of the Company’s shares. The Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) are not included in the treasury stock.
- 4 The number of shares held by officers is the actual number of shares held by them including the shares held by the Company’s Executive Officer Stock Ownership Association.
- 5 In the Change Report (share certificates, etc. subject to special provisions) provided for public inspection dated March 7, 2025, it is stated that Mizuho Securities Co., Ltd. and its joint holders Mizuho Trust & Banking Co., Ltd. and Asset Management One Co., Ltd., and Mizuho International plc hold the following shares as of February 28, 2025. However, as the Company is unable to confirm the number of shares held by beneficial shareholders as of February 28, 2025, they are not included in Status of Major Shareholders above.
- The content of the Change Report (share certificates, etc. subject to special provisions) is as follows.

Name	Address	Number of share certificates, etc. held (shares)	Holding ratio of share certificates, etc. (%)
Mizuho Securities Co., Ltd.	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo	6,142	0.03
Mizuho Trust & Banking Co., Ltd.	3-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo	299,119	1.25
Asset Management One Co., Ltd.	8-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	787,900	3.29
Mizuho International plc	30 01d Bailey, London, EC4M 7AU, United Kingdom	0	0.00
Total	-	1,093,161	4.57

(6) Status of Voting Rights

1) Issued Shares

As of February 28, 2025

Classification	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 340,100	-	-
Shares with full voting rights (others)	Common stock 23,626,000	236,260	The number of shares constituting one unit: 100 shares
Odd-lot shares	Common stock 13,900	-	-
Total number of shares issued	23,980,000	-	-
Total voting rights held by shareholders	-	236,260	-

(Note) Common stock in the column “Shares with full voting rights (others)” includes 299,100 shares (2,991 voting rights) held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of “Stock Granting Trust (J-ESOP).”

2) Treasury Stock, etc.

As of February 28, 2025

Name of shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of the number of shares held in the total number of shares issued (%)
JINS HOLDINGS Inc.	26-4 Kawaharamachi 2-chome, Maebashi-shi, Gunma	340,100	—	340,100	1.42
Total	-	340,100	—	340,100	1.42

(Note) Treasury stock, etc. above do not include 299,119 shares held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of “Stock Granting Trust (J-ESOP).”

2. Status of Officers

Not applicable

IV. Financial Information

1. Preparation methods of interim consolidated financial statements

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

The Company falls under the category of companies listed in the upper column of Item 1 in the table in Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act, and has prepared Type 1 interim consolidated financial statements in accordance with provisions set forth in Parts 1 and 3 of the Regulations on Consolidated Financial Statements.

2. Audit certification

The Company’s interim consolidated financial statements for the period under review (from September 1, 2024 to February 28, 2025) have received an interim review by Ernst & Young ShinNihon LLC, pursuant to provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

1. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	18,673	11,399
Accounts receivable - trade	6,572	5,387
Merchandise and finished goods	4,639	5,727
Work in process	43	27
Raw materials and supplies	424	582
Other	1,900	2,587
Total current assets	32,254	25,711
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,461	9,793
Other, net	1,672	1,939
Total property, plant and equipment	11,133	11,733
Intangible assets	2,538	3,321
Investments and other assets		
Leasehold and guarantee deposits	4,392	5,324
Other	3,726	4,051
Total investments and other assets	8,119	9,376
Total non-current assets	21,791	24,431
Total assets	54,045	50,142

(Millions of yen)

	As of August 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,747	3,421
Current portion of convertible bond-type bonds with share acquisition rights	10,005	-
Short-term borrowings	1,909	5,580
Current portion of long-term borrowings	20	7
Accounts payable - other, and accrued expenses	6,211	5,958
Income taxes payable	2,051	1,716
Provision for bonuses	429	312
Provision for product warranties	250	235
Allowance for business structure reform expenses	66	47
Other	1,971	1,428
Total current liabilities	25,663	18,708
Non-current liabilities		
Long-term borrowings	24	20
Provision for share awards	70	63
Asset retirement obligations	1,166	1,238
Other	1,525	1,818
Total non-current liabilities	2,787	3,140
Total liabilities	28,451	21,849
Net assets		
Shareholders' equity		
Share capital	3,202	3,202
Capital surplus	3,201	3,201
Retained earnings	22,818	25,633
Treasury stock	(4,041)	(4,037)
Total shareholders' equity	25,180	28,000
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	77	70
Foreign currency translation adjustment	335	222
Total accumulated other comprehensive income	413	292
Total net assets	25,593	28,293
Total liabilities and net assets	54,045	50,142

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended February 29, 2024	For the six months ended February 28, 2025
Net sales	38,018	44,832
Cost of sales	8,394	9,737
Gross profit	29,623	35,094
Selling, general and administrative expenses	* 27,059	* 29,939
Operating profit	2,563	5,155
Non-operating income		
Interest income	8	15
Foreign exchange gains	86	77
Subsidy income	0	28
Other	35	43
Total non-operating income	130	164
Non-operating expenses		
Interest expenses	64	93
Share of loss of entities accounted for using equity method	18	-
Other	13	5
Total non-operating expenses	95	99
Ordinary profit	2,598	5,221
Extraordinary income		
Gain on sale of investment securities	-	442
Total extraordinary income	-	442
Extraordinary losses		
Loss on retirement of non-current assets	65	101
Loss on store closings	10	6
Total extraordinary losses	76	107
Profit before income taxes	2,522	5,556
Income taxes - current	811	1,659
Income taxes - deferred	154	111
Total income taxes	965	1,771
Profit	1,556	3,785
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,556	3,785

Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended February 29, 2024	For the six months ended February 28, 2025
Profit	1,556	3,785
Other comprehensive income		
Valuation difference on available-for-sale securities	(36)	(7)
Foreign currency translation adjustment	(17)	(112)
Share of other comprehensive income of entities accounted for using equity method	(103)	-
Total other comprehensive income	(157)	(120)
Comprehensive income	1,398	3,664
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,398	3,664
Comprehensive income attributable to non-controlling interests	-	-

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended February 29, 2024	For the six months ended February 28, 2025
Cash flows from operating activities:		
Profit before income taxes	2,522	5,556
Depreciation	1,416	1,398
Increase (decrease) in provision for bonuses	141	(116)
Increase (decrease) in provision for product warranties	(4)	(14)
Increase (decrease) in provision for share awards	-	(6)
Increase (decrease) in allowance for business structure reform expenses	-	(17)
Interest and dividend income	(8)	(15)
Loss (gain) on sale of investment securities	-	(442)
Subsidy income	(0)	(28)
Interest expenses	64	93
Foreign exchange losses (gains)	(92)	(96)
Share of loss (gain) of entities accounted for using equity method	18	-
Loss on retirement of non-current assets	65	101
Loss on store closings	10	6
Decrease (increase) in trade receivables	281	1,146
Decrease (increase) in inventories	(965)	(1,258)
Decrease (increase) in other assets	59	(229)
Increase (decrease) in trade payables	1,154	679
Increase (decrease) in accrued consumption taxes	(295)	(206)
Increase (decrease) in accounts payable - other	49	(307)
Increase (decrease) in accrued expenses	42	(165)
Increase (decrease) in other liabilities	(168)	(288)
Other, net	66	57
Subtotal	4,355	5,844
Interest and dividends received	3	10
Interest paid	(64)	(74)
Income taxes paid	(652)	(1,940)
Proceeds from subsidy income	0	28
Other	68	-
Net cash provided by (used in) operating activities	3,711	3,868
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,096)	(909)
Purchase of intangible assets	(309)	(1,009)
Loan advances	(78)	(51)
Collection of loans receivable	41	43
Payments of leasehold and guarantee deposits	(186)	(1,106)
Proceeds from refund of leasehold and guarantee deposits	87	99
Purchase of investment securities	(10)	(437)
Other	1	-
Net cash provided by (used in) investing activities	(1,551)	(3,372)

(Millions of yen)

	For the six months ended February 29, 2024	For the six months ended February 28, 2025
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(257)	3,710
Repayments of long-term borrowings	(24)	(23)
Redemption of convertible bond-type bonds with share acquisition rights	-	(10,000)
Repayments of installment payables	(288)	(349)
Purchase of treasury stock	(1,383)	(0)
Proceeds from sale of treasury stock	1,383	-
Repayments of lease obligations	(205)	(140)
Dividends paid	(582)	(969)
Net cash provided by (used in) financing activities	(1,359)	(7,773)
Effect of exchange rate changes on cash and cash equivalents	106	2
Net increase (decrease) in cash and cash equivalents	907	(7,274)
Cash and cash equivalents at the beginning of period	12,202	18,673
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	93	-
Cash and cash equivalents at end of interim period	*13,203	*11,399

[Notes]

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” Etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the six months ended February 28, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the interim consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the six months ended February 28, 2025. This change in accounting policies has been applied retrospectively, and the new accounting policy is reflected in the interim consolidated financial statements for the six months ended February 29, 2024, and in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the interim consolidated financial statements for the six months ended February 29, 2024, and on the consolidated financial statements for the previous fiscal year.

(Additional information)

(Transactions of delivering the Company’s shares to employees, etc. through a trust)

The Company, at the Board of Directors meeting held on January 12, 2024, resolved to introduce “Stock Granting Trust (J-ESOP)” (hereinafter referred to as the “Plan” and a trust created under a trust agreement entered into with Mizuho Trust & Banking Co., Ltd. regarding the Plan is referred to as the “Trust”) as an incentive plan to grant the Company’s shares to employees of the Company and its subsidiaries (hereinafter referred to as the “Employees”) in order to raise their willingness and motivation to increase stock price and business results by enhancing the connection between the Company’s stock price and business results with the treatment for Employees, and sharing economic benefits with our shareholders, and to conduct transactions to deliver the Company’s shares to Employees through a trust.

1. Overview of the Plan

The Plan, which is a trust-type scheme based on the U.S. Employee Stock Ownership Plan (ESOP), grants the Employees who meet certain requirements the Company’s shares and monies equivalent to the amount obtained by converting the Company’s shares at the market value (hereinafter referred to as the “Company’s Shares, etc.”), based on the Stock Granting Regulations predetermined by the Company.

The Company will grant points to the Employees according to the Company’s business results, etc. and when they obtain the right to receive as such under certain conditions, the Company will grant them an amount of the Company’s Shares, etc. equivalent to such points granted. Shares to be granted to the Employees, including those for the future, will be acquired using monies established as a trust beforehand and are separately managed as trust assets.

Through introducing the Plan, the Company expects to raise the Employees’ awareness toward increasing the stock price and business results and contribute to providing higher motivation for engaging in their duties.

2. The Company’s shares remaining in the Trust

The Company’s shares remaining in the Trust are recorded at book value in the Trust (excluding the amount of incidental expenses) as treasury stock under net assets. The book value and number of the corresponding treasury stock as of the end of the interim period under review were ¥1,378 million yen and 299,119 shares, respectively.

(Interim Consolidated Balance Sheets)

I. Liability on guarantees

The Group entered into proxy deposit agreements with lessors and financial institutions regarding leasehold and guarantee deposits on some leasehold properties.

Based on the agreements, the financial institutions have deposited the amounts equivalent to leasehold and guarantee deposits to the lessors, and the Group guaranteed the obligations of the lessors to refund the leasehold and guarantee deposits to the financial institutions.

	As of August 31, 2024	As of February 28, 2025
	¥227 million	¥227 million

II. Financial covenants

Previous fiscal year (August 31, 2024)

The Company entered into loan commitment agreements with counterparty banks to flexibly and stably procure working capital and funding for capital investments mainly for new store openings, and the said loan commitment agreements are subject to financial covenants.

(1) Loan commitment agreements entered into on August 26, 2022

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

Financial covenants on the loan commitment agreements above

- 1) Total net assets in the consolidated balance sheets at each year-end after the effective date of the agreement must be at least 75% of those at the year-end immediately before the effective date of the agreement or at least 75% of those at the most recent year-end, whichever is higher.
- 2) The Company shall not record an ordinary loss for two consecutive years in the consolidated statement of income at each fiscal year-end after the effective date of the agreement.

Interim period under review (February 28, 2025)

The Company entered into loan commitment agreements with counterparty banks to flexibly and stably procure working capital and funding for capital investments mainly for new store openings, and the said loan commitment agreements are subject to financial covenants.

(1) Loan commitment agreements entered into on August 26, 2022

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

Financial covenants on the loan commitment agreements above

- 1) Total net assets in the consolidated balance sheets at each year-end after the effective date of the agreement must be at least 75% of those at the year-end immediately before the effective date of the agreement or at least 75% of those at the most recent year-end, whichever is higher.
- 2) The Company shall not record an ordinary loss for two consecutive years in the consolidated statement of income at each fiscal year-end after the effective date of the agreement.

(Interim Consolidated Statements of Income)

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

	Six months ended February 29, 2024	Six months ended February 28, 2025
Salaries and allowances	¥7,813 million	¥8,516 million
Rent expenses on land and buildings	¥6,283 million	¥6,886 million
Advertising expenses	¥1,573 million	¥1,802 million
Research and development expenses	¥40 million	¥66 million

(Interim Consolidated Statements of Cash Flows)

* Reconciliation of cash and cash equivalents in the interim consolidated statements of cash flows and cash and deposits in the interim consolidated balance sheets as of February 28, 2025 and February 29, 2024 was as follows:

	Six months ended February 29, 2024	Six months ended February 28, 2025
Cash and deposits	¥13,203 million	¥11,399 million
Time deposits with maturities over three months, etc.	-	-
Cash and cash equivalents	¥13,203 million	¥11,399 million

(Shareholders' Equity)

For the six months ended February 29, 2024

1. Dividends paid

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders held on November 29, 2023	Common stock	583	25.00	August 31, 2023	November 30, 2023	Retained earnings

2. Of dividends for which the record date is during the interim period under review, dividends with effective dates falling after the end of the interim period of the fiscal year

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 12, 2024	Common stock	472	20.00	February 29, 2024	May 10, 2024	Retained earnings

(Notes) Total amount of dividends includes ¥6 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)."

For the six months ended February 28, 2025

1. Dividends paid

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

(Notes) Total amount of dividends includes ¥12 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)."

2. Of dividends for which the record date is during the interim period under review, dividends with effective dates falling after the end of the interim period of the fiscal year

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 11, 2025	Common stock	1,181	50.00	February 28, 2025	May 9, 2025	Retained earnings

(Note) Total amount of dividends includes ¥14 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)."

(Segment Information, etc.)

[Segment Information]

I. For the six months ended February 29, 2024

1. Information about net sales and profit (loss) by reportable segment and information about revenue breakdown

(Millions of yen)

	Reportable segment			Adjustments	Consolidated (Note)
	Domestic eyewear business	Overseas eyewear business	Total		
Net sales					
Revenue from contracts with customers	28,938	9,079	38,018	-	38,018
Sales to outside customers	28,938	9,079	38,018	-	38,018
Intersegment sales or transfers	442	5	447	(447)	-
Total	29,380	9,085	38,466	(447)	38,018
Segment profit	2,406	157	2,563	-	2,563

(Note) Segment profit is reconciled to operating profit in the interim consolidated statements of income.

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

(Significant loss on impairment of non-current assets)

Not applicable

(Significant changes in goodwill)

Not applicable

(Significant gain on negative goodwill)

Not applicable

II. For the six months ended February 28, 2025

1. Information about net sales and profit (loss) by reportable segment and information about revenue breakdown

(Millions of yen)

	Reportable segment			Adjustments	Consolidated (Note)
	Domestic eyewear business	Overseas eyewear business	Total		
Net sales					
Revenue from contracts with customers	34,781	10,051	44,832	-	44,832
Sales to outside customers	34,781	10,051	44,832	-	44,832
Intersegment sales or transfers	596	48	645	(645)	-
Total	35,377	10,100	45,477	(645)	44,832
Segment profit	4,736	418	5,155	-	5,155

(Note) Segment profit is reconciled to operating profit in the interim consolidated statements of income.

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

(Significant loss on impairment of non-current assets)

Not applicable

(Significant changes in goodwill)

Not applicable

(Significant gain on negative goodwill)

Not applicable

(Revenue recognition)

Information about breakdown of revenue from contracts with customers is as stated in “Notes (Segment Information, etc.)”

(Per Share Information)

Basic and diluted earnings per share are calculated as follows:

Items	Six months ended February 29, 2024	Six months ended February 28, 2025
(1) Basic earnings per share	¥66.69	¥162.17
(Basis for calculation)		
Profit attributable to owners of parent (millions of yen)	1,556	3,785
Profit not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common stock (millions of yen)	1,556	3,785
Weighted-average number of shares of common stock outstanding during the year (shares)	23,340,091	23,340,649
(2) Diluted earnings per share	¥63.58	-
(Basis for calculation)		
Adjustments to profit attributable to owners of parent (millions of yen)	(3)	-
[of which, interest income (after tax effect)] (millions of yen)	[(3)]	(-)
Increase in number of shares of common stock (shares)	1,087,311	-
[of which, convertible bond-type bonds with share acquisition rights]	(1,087,311)	(-)
Summary of potential shares not included in calculation of diluted earnings per share due to lack of dilutive effect, which were subject to significant change from the end of the previous fiscal year	-	-

(Note) 1. In the calculation of basic earnings per share, 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 average number of shares during the period.

(Note) 2. Diluted earnings per share for the interim period under review is not presented because there are no dilutive shares.

(Subsequent events)

Not applicable

2. Others

Regarding the interim dividend for the 38th term (from September 1, 2024 to August 31, 2025), at the Board of Directors meeting held on April 11, 2025, it was resolved to pay an interim dividend to shareholders who were recorded in the shareholder registry as of February 28, 2025.

- 1) Total amount: ¥1,181 million
- 2) Per share amount: ¥50.00
- 3) Effective date of claim for payment and payment commencement date: May 9, 2025

(Note) Total amount of dividends includes ¥14 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Granting Trust (J-ESOP)."

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

Not applicable