

Annual Securities Report

(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]

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[Article of the applicable law requiring submission of this document]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
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[Fiscal year]	38th term (from September 1, 2024 to August 31, 2025)
[Company name]	JINS HOLDINGS Inc.
[Company name in English]	JINS HOLDINGS Inc.
[Title and name of representative]	Ryo Tanaka, Representative Director, President and COO
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Part I. Company Information

I. Overview of Company

1. Key financial data

(1) Key financial data of the Group

Term		34th term	35th term	36th term	37th term	38th term
Fiscal year ended		August 31, 2021	August 31, 2022	August 31, 2023	August 31, 2024	August 31, 2025
Net sales	(Millions of yen)	63,898	66,901	73,264	82,999	97,215
Ordinary profit	(Millions of yen)	5,020	3,789	3,739	7,735	12,121
Profit attributable to owners of parent	(Millions of yen)	3,292	750	1,762	4,671	8,330
Comprehensive income	(Millions of yen)	3,623	1,063	1,676	4,815	8,292
Net assets	(Millions of yen)	20,219	20,406	21,779	25,593	31,742
Total assets	(Millions of yen)	53,007	54,721	44,863	54,045	57,866
Net assets per share	(yen)	866.29	874.33	933.14	1,096.57	1,359.91
Earnings per share	(yen)	141.07	32.17	75.50	200.17	356.89
Diluted earnings per share	(yen)	127.35	27.37	69.42	190.97	-
Equity ratio	(%)	38.1	37.3	48.5	47.4	54.9
Rate of return on equity	(%)	17.3	3.7	8.4	19.7	29.1
Price-earnings ratio	(times)	50.90	132.56	45.57	25.98	22.33
Net cash provided by (used in) operating activities	(Millions of yen)	5,058	4,391	6,054	10,989	10,533
Net cash provided by (used in) investing activities	(Millions of yen)	(3,175)	(3,853)	(3,849)	(2,385)	(7,864)
Net cash provided by (used in) financing activities	(Millions of yen)	(3,758)	(2,769)	(11,502)	(2,335)	(9,425)
Cash and cash equivalents at the end of period	(Millions of yen)	23,206	21,430	12,202	18,673	11,977
Number of employees [In addition, average number of temporary employees]	(persons)	3,641 [1,205]	3,599 [1,434]	3,486 [1,628]	3,485 [1,698]	3,671 [1,865]

(Notes) 1. The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 35th term. The key financial data for the 35th term onward reflect the application of the said accounting standard, etc.

2. Diluted earnings per share for the 38th term is not stated as there are no dilutive shares outstanding.

(2) Key financial data of the reporting company

Term		34th term	35th term	36th term	37th term	38th term
Fiscal year ended		August 31, 2021	August 31, 2022	August 31, 2023	August 31, 2024	August 31, 2025
Net sales and operating revenue	(Millions of yen)	4,037	4,462	4,874	7,139	9,413
Ordinary profit (loss)	(Millions of yen)	(559)	989	773	2,448	3,738
Profit (loss)	(Millions of yen)	(227)	(1,349)	(811)	1,214	3,716
Share capital	(Millions of yen)	3,202	3,202	3,202	3,202	3,202
Total number of issued shares	(shares)	23,980,000	23,980,000	23,980,000	23,980,000	23,980,000
Net assets	(Millions of yen)	12,245	10,221	9,011	9,152	10,714
Total assets	(Millions of yen)	34,202	32,444	20,286	20,735	17,317
Net assets per share	(yen)	524.65	437.94	386.09	392.12	459.03
Dividends per share [Interim dividend per share]	(yen)	45.00 (25.00)	17.00 (17.00)	38.00 (13.00)	61.00 (20.00)	109.00 (50.00)
Earnings (loss) per share	(yen)	(9.74)	(57.82)	(34.75)	52.02	159.24
Diluted earnings per share	(yen)	-	-	-	49.42	-
Equity ratio	(%)	35.8	31.5	44.4	44.1	61.9
Rate of return on equity	(%)	(1.8)	(12.0)	(8.4)	13.4	37.4
Price-earnings ratio	(times)	-	-	-	99.96	50.05
Payout ratio	(%)	-	-	-	117.3	68.4
Number of employees [In addition, average number of temporary employees]	(persons)	64 [5]	70 [7]	69 [8]	57 [6]	64 [10]
Total shareholder return [Index compared: TOPIX Total Return Index]	(%) (%)	98.7 (123.8)	59.1 (126.9)	48.4 (154.9)	73.2 (184.3)	112.6 (214.3)
Highest stock price	(yen)	8,890	8,310	5,090	5,200	9,070
Lowest stock price	(yen)	6,330	3,480	2,909	3,070	4,980

(Notes) 1. Figures for diluted earnings per share for the 34th term to 36th term are not stated because losses per share were recorded, even though there were dilutive shares. Additionally, diluted earnings per share for the 38th term is not stated as there are no dilutive shares outstanding.

2. Price-earnings ratio and payout ratio for the 34th term to 36th term are not stated because losses were recorded.

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

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

2. History

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

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

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

3. Description of business

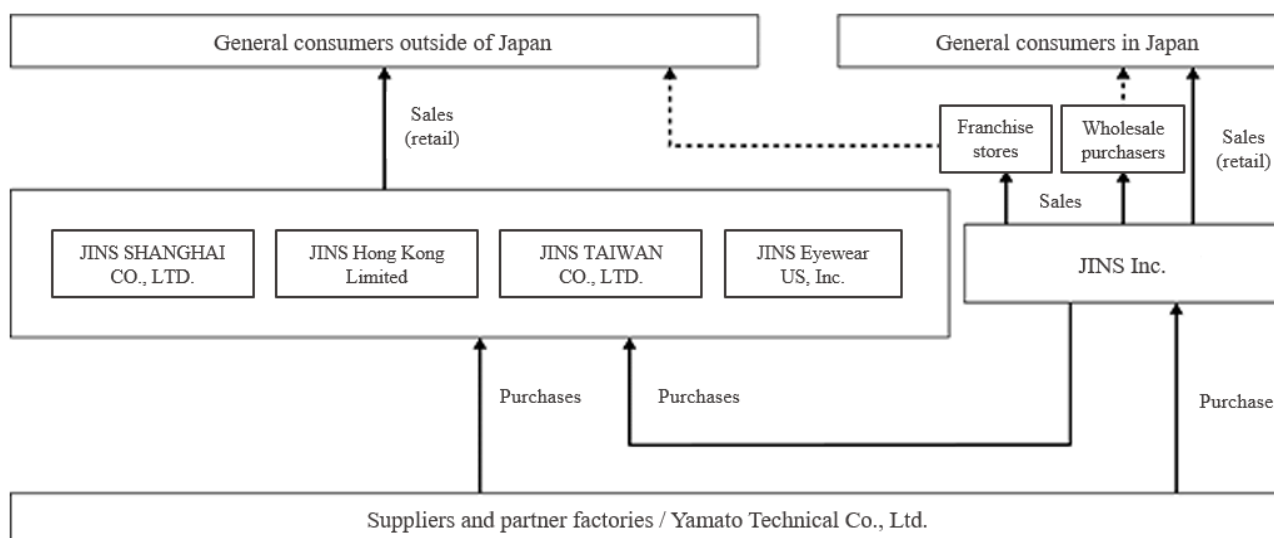
The Group is comprised of JINS HOLDINGS Inc. (the Company), nine consolidated subsidiaries, and three unconsolidated subsidiaries, with the main business being eyewear retailing.

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

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

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

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



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

4. Subsidiaries and other affiliated entities

(Consolidated subsidiaries)

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

(Notes) 1. Figures in parentheses under the ratio of voting rights held (or indirectly held) (%) column are the ratio of voting rights held by the Company's subsidiaries, etc., which are included in the figures directly above.

2. These companies are specified subsidiaries.

3. Net sales of JINS Inc., excluding internal net sales between consolidated companies, comprise more than 10% of consolidated net sales.

(JINS Inc.)

Key profit and loss information	1) Net sales	¥78,026 million
	2) Ordinary profit	¥11,623 million
	3) Profit	¥8,082 million
	4) Net assets	¥19,129 million
	5) Total assets	¥38,036 million

5. Employees

(1) Information about the Group

As of August 31, 2025

Name of segment	Number of employees (persons)	
Domestic eyewear business	2,138	[1,751]
Overseas eyewear business	1,469	[104]
Other	64	[10]
Total	3,671	[1,865]

- (Notes) 1. The number of employees is the number of people in employment and excludes those seconded from the Group to outside the Group and includes those seconded from outside the Group to the Group.
2. The figure in brackets under the number of employees column is the number of temporary employees (associate employees who are on fixed-term employment contracts with terms up to one year, contract employees, and part-time employees (converted to 8.0 hours per working day)) in employment averaged over the year, and is not included in the figure directly above.
3. The number of employees increased by 186 from the end of the previous fiscal year, primarily due to an increase in the number of stores.

(2) Information about the reporting company

As of August 31, 2025

Number of employees (persons)	Average age (years old)	Average years in employment (years)	Average annual salary (yen)
64 [10]	42.4	7.0	10,143,648

- (Notes) 1. The number of employees is the number of people in employment and excludes those seconded from the Company to other companies and includes those seconded from other companies to the Company.
2. The figure in brackets under the number of employees column is the number of temporary employees (associate employees who are on fixed-term employment contracts with terms up to one year, contract employees, and part-time employees (converted to 8.0 hours per working day)) in employment averaged over the year, and is not included in the figure directly above.
3. Only the total number of employees is stated because all employees of the reporting company are included in the Other segment.
4. Average annual salary includes supplements and bonuses.
5. The number of employees increased by seven from the end of the previous fiscal year, primarily due to an increase in the number of employees accompanying business expansion.

(3) Information about labor unions

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

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

1) Reporting company

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

2) Consolidated subsidiaries

Current fiscal year					
Name	Ratio of female workers who are managers (%) (Note 1, 3)	Ratio of male workers who have taken childcare leave (%) (Note 2, 3)	Difference in pay between male and female workers (%) (Note 1, 3)		
			All workers	Regular permanent workers	Non-regular workers
JINS Inc.	25.8	86.4	68.2	76.0	81.1

- (Notes) 1. Calculated pursuant to the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).
2. The ratio of workers taking childcare leave, etc., is calculated under Article 71-6, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) pursuant to provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).
3. The figures for the consolidated subsidiaries that are not made public as defined in the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015) and the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991) have been omitted.

II. Overview of Business

1. Management policy, business environment, issues to address

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

(1) Basic policies on corporate management

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

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

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

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

1) Market environment

In the domestic retail eyewear market, there is a shift from low-cost competition to high-value-added products, and the market is expanding on the back of rising unit prices. The number of people who need vision correction is increasing as the increased risk of myopia has become a social issue with the spread of myopia among younger generations stemming from a decrease in children playing outdoors and increased use of smartphones and tablet devices, and an increase in the number of seniors with higher risk of vision deterioration. The overall market size showed a steady growth trend. As for the competitive environment in Japan, operators whose business model is based on a single affordable price are increasing their market share.

In the overseas retail eyewear market, the number of people who need vision correction is increasing similarly to Japan. The population with myopia is growing in China and other Asian countries, prompting the expansion of the market for glasses. Furthermore, many franchise eyewear stores imitating the Company have opened, causing the competitive environment to further intensify.

2) Product strategies

As for product strategies, we are developing products that balance functionality and fashion appeal from a global perspective, tailored to customer needs and usage scenarios.

We offer thin aspherical lenses from major lens manufacturers that block over 99% of UV rays as our standard lenses. And we also offer optional lenses with diverse functionality at reasonable prices, including “JINS SCREEN lenses,” which block blue light emitted by computers and smartphones, “visible-light photochromic lenses” that change color density depending on ultraviolet rays and visible light, and “FASHION COLOR LENS,” available in a wide variety of colors. We will respond to diversifying customer needs by expanding our lineup of high-performance lenses and fashionable lenses tailored to individual lifestyles.

3) Store strategies

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

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

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

4) Digitalization strategies

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

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

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

(3) Target management indicators

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

(4) Priority business issues to be addressed

1) Enhancing innovative product development

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

Despite such an environment, we are working to develop products that meet the needs of our customers depending on their usage scenarios. For example, we provide new product values such as the “JINS HOME” product line for use at home while “JINS360” represents the most durable eyewear in our history. Across all product lines, we remain committed to delivering both functionality and fashion. We will work on stably and continuously developing and offering products that fit the needs of our customers by maintaining two-way communication with them.

2) Rebuilding supply chains

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

In order to diversify our manufacturing bases, we are considering overseas manufacturing bases outside of China, while working to shorten the lead time for delivery to storefronts by expanding the capabilities of our domestic subsidiaries, aiming to expand product manufacturing in Japan which is the Group’s principal sales base.

3) Promoting sustainable store development

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

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

4) Responding to changes in the employment environment

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

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

5) Promoting digitization

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

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

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

6) Promoting global development

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

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

7) Promoting sustainability activities

The Group has established its Sustainability Statement, "Changing the Future Landscape Through Eyewear," and upholds its vision, "Magnify Life." We aim to achieve this vision through our business activities and simultaneously pursue contributions to a sustainable society and enhance our corporate value.

Under the Sustainability Statement, we have established six focus areas for our future efforts: Consideration for the environment, Maximizing human resources and upholding human rights, Social contribution, Dependable products and services, Healthcare innovation, and Sound governance. We will fulfill our social responsibilities and make sustained contributions to society.

2. Stance and initiatives on sustainability

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

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

(1) Stance on sustainability

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

(2) Governance

The Group's sustainability promotion system is as follows.



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

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

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

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

(3) Risk management

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

The Sustainability Committee collects, analyzes, and evaluates information on sustainability-related risks and opportunities. In particular, with regard to climate change, the Sustainability Committee evaluates the financial impacts and scope of impacts of

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

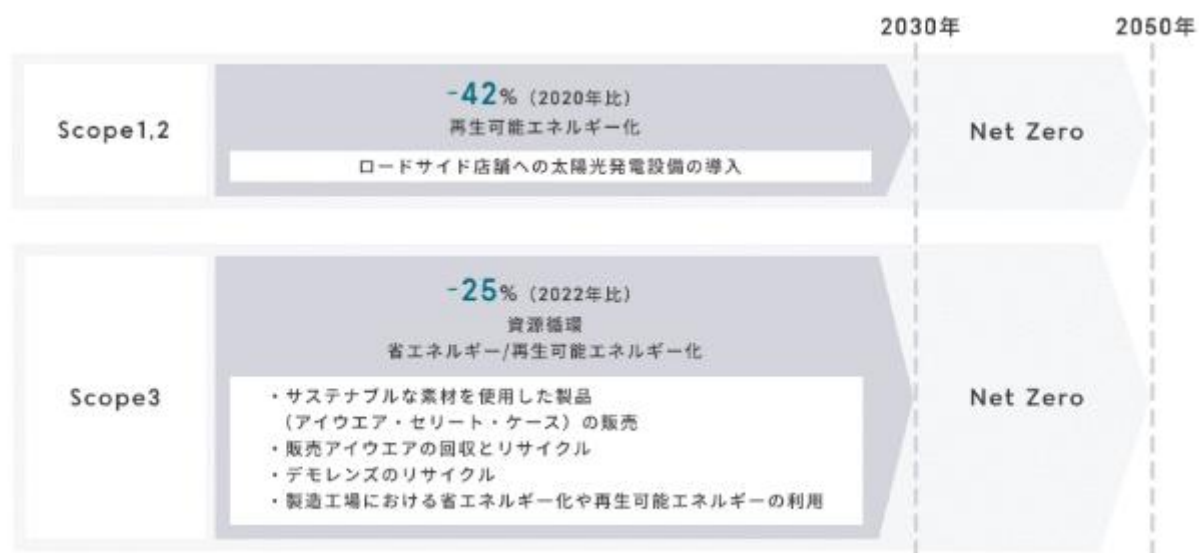
(4) Strategy

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

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

(5) Metrics & targets

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



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

	KPI項目	2030目標		KPI項目	2030目標
環境への配慮	気候変動への対応	温室効果ガス(CO2)排出の削減 SCOPE1+2 42%削減(2020年比) SCOPE3 25%削減(2022年比)	ヘルスケア・イノベーション	近視進行を予防する技術/商品/サービス開発	バイオレットグラスの開発/普及による近視拡大への抑制
		国内ロードサイド・路面店舗の再生可能エネルギー利用率50%		イノベーションによる新たな価値創造	新しい価値を提供するアイウェアの開発
	資源循環型社会の実現	アイウェア(樹脂製品)の50%をサステナブル素材に	安心の製品とサービス	徹底した品質管理による高品質な製品の提供	品質管理体制の高度化とモニタリングの実施
人的資本の最大化と人権の尊重	従業員のDE&I	女性管理職比率30% 女性店長比率50%	健全なガバナンス	健全なガバナンス体制	コーポレートガバナンス執行体制の第三者評価(年1回)と課題への迅速な対応
		育児休暇取得率男女ともに100%			第三者による取締役会の実効性評価(年1回)と課題への迅速な対応
	人材開発	人材の国際間移動の推進			独立社外取締役の半数以上の継続
	サプライチェーンにおける人権尊重	新規サプライヤーと主要サプライヤーへの当社専門部署及び第三者によるモニタリングの徹底(100%)			役員層の女性・外国籍合計比率25%以上
		サプライチェーンでの重大事故ゼロ			
社会への貢献	目の健康の啓発や優れた見る体験の創造と機会の提供	見る育やアート支援など、人々の見る目を養う活動の継続的な実施			
	地域共生社会への貢献	店舗を通じた、地域共生活動の継続的な実施			

(6) Human resources and diversity

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

With a belief that creating an environment in which diverse employees feel comfortable to work leads to responding to the various eyewear needs, we are implementing various initiatives to promote diversity. We have also continued to increase the basic salary of full-time store employees. Furthermore, while strengthening the recruitment and development of global human resources, we will also support diverse, community-rooted work styles. This approach will enable us to achieve both the organization's sustainable growth and our contribution to the regional economy. We focus on creating an organization and environment for generating new value by internalizing diverse values and ways of thinking through these initiatives and by implementing various efforts with a focus on human resources.

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

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

KPI Item	2030 Target	Results as of August 2025
Employee DE&I	1) Ratio of female managers 30%	Ratio of female managers 23.1% Ratio of female store managers 27.3%
	2) Ratio of female store managers 50%	
	3) Ratio of childcare leave taken by both males and females 100%	Ratio of childcare leave taken Males 84.8% Females 100%
Human resource development	4) Promotion of international transfer of human resources	6 cases

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

3. Business risks

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

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

Risks related to the supply chain

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

Risks related to sales and marketing

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

	Description of risks	Measures to mitigate risks
	may have a significant impact on the business results and financial position of the Group.	
Risks related to overseas expansion	<p>The Group expanded its overseas eyewear business into China in 2010, the United States and Taiwan in 2015, the Philippines and Hong Kong in 2018, and Vietnam and Mongolia in 2025 and is also considering entering other overseas markets in the future. Operating business overseas contains several risks including those listed below, and should these risks materialize, it may have a significant impact on the business results and financial position of the Group.</p> <ul style="list-style-type: none"> - Unexpected changes in laws and regulations and tighter regulations - Changes in government policies that are detrimental to business activities - Changes in political, economic and social conditions - Sharp increase in personnel expenses and difficulties in hiring - Underdeveloped infrastructure - Potential international taxation risk - Social or economic turmoil due to an act of terrorism, war, disease, disaster, or other factors 	When entering an overseas market, the Group sufficiently studies and considers various conditions of the target country or region in advance, including its market size, competitive environment, statutory regulations, and social situations. In addition, the Group closely monitors any changes in the environment related to business operations even after the entry, striving to control risks.

Risks related to the industry environment

	Description of risks	Measures to mitigate risks
Risks related to the emergence of alternative products and service competitors	In addition to the risk of a decline in competitiveness due to the spread of alternative products and services such as laser vision correction surgery, or technological innovation and new entrants from other industries, new vision correction and healthcare methods utilizing cutting-edge technologies such as AI and AR/VR emerge at a pace exceeding expectations and could fundamentally alter the structure of the eyewear market. If this occurs, the Group's business results and financial position may be significantly affected.	In addition to expanding its current functional product lineup, developing new businesses, and enhancing customer experiences through DX, the Group will strengthen collaboration with specialized institutions for research and development of advanced technologies, driving the integration of its eyewear business with digital technology. We will also continue to differentiate ourselves from competitors and provide high added value by establishing services that contribute to improved healthcare, without being confined to the framework of vision correction.
Risks related to securing and developing human resources	While the Group plans to expand its business globally, our ability to open new stores depends on securing and developing human resources including excellent store employees and store managers. Moreover, the Group believes that it is important to strengthen the management execution structure and enhance the human resources in the headquarters in the planning, development, production, IT, and management departments for promoting globalization and differentiation from our competitors. Should we experience difficulties in securing human resources commensurate with the Group's plans, our inability to open new stores as planned and differentiate ourselves from competitors may have a significant impact on the business results and financial position of the Group.	<p>The Group views human capital as a source of competitive advantage and secures human resources by actively employing mid-career hires who can be an immediate asset while hiring new graduates on an ongoing basis. Therefore, in addition to our current active mid-career/new graduate recruitment initiatives, group/online training, and specialized certification (licensed eyeglass manufacturing engineer) education programs, we operate a human resources system focused specifically on recruiting and retaining highly skilled IT/DX human resources.</p> <p>With the rapid rise in prices in recent years, it has become a social imperative to create an environment and working conditions that allow employees to focus on their work. Against this background, in order to continuously provide higher quality services at our stores, which are the cornerstone of customer experience, we have raised the base wage of full-time and fixed-term store employees.</p>

Risks related to the legal regulations

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

	Description of risks	Measures to mitigate risks
	universities and other research institutions. However, the Group's performance and financial position may be significantly affected in the event that there are obstacles to the protection or enforcement of intellectual property rights created through these activities, and the Group fails to effectively eliminate counterfeiting of its products by third parties, resulting in loss of market share, or in the event that the Group receives claims for damages or injunctions for infringement of intellectual property rights of third parties.	products and services to protect intellectual property rights. Additionally, in the development of products and services, the Group thoroughly investigates intellectual property rights of third parties in advance to avoid infringement.

Risks related to information management

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

Risks related to changes in the financial environment

	Description of risks	Measures to mitigate risks
Risks related to fluctuations in interest rate trends	The Group has procured funds for new store openings and other capital investment as well as its working capital through bank loans, and may procure funds going forward according to future fund requirements. Should the level of interest rates rise due to an increased reliance on interest-bearing liabilities in the future or changes in the financial environment, it may have a significant impact on the business results and financial position of the Group.	In order to flexibly respond to financial conditions, the Group strives to control its reliance on interest-bearing liabilities and raise funds appropriately in accordance with financial trends.
Risks related to changes in the financing environment	Future changes in financial conditions as well as the Group's business performance and financial position may have a significant impact on financing for capital expenditures such as new store openings in the Group as well as additional working capital in line with increased sales.	The Group has entered into loan commitment agreements with counterparty banks to flexibly and stably procure funding for capital investments and working capital, and the Group maintains good relationships with counterparty banks so as not to hinder necessary financing.
Risks related to the impact of exchange rate fluctuations	Because the Group imports most of the glasses frames and some of the lenses, which are the Group's main products, directly from China and other foreign countries, purchase costs are affected by exchange rate fluctuations. In	Regarding purchase costs, the Group monitors exchange rate fluctuations and controls the exchange rate fluctuation risk to minimize its impact on the Group's business results and financial position, such as appropriately

	Description of risks	Measures to mitigate risks
	<p>addition, the Group holds seven overseas consolidated subsidiaries, four of which are operating companies, as of the end of the fiscal year under review. Because the amounts denominated in foreign currencies in financial statements of overseas subsidiaries and affiliates are converted to Japanese yen in consolidated financial statements of the Company, the Company's consolidated financial statements are affected by exchange rate fluctuations between the Japanese yen and each currency. Should exchange rates fluctuate drastically, factors including a sharp increase in import purchase costs and fluctuations of yen-denominated figures in financial statements of overseas consolidated subsidiaries may have a significant impact on the business results and financial position of the Group.</p>	<p>reviewing selling prices while considering the movements of competitors for foreign exchange impacts that cannot be absorbed. The Group will also work to reduce the impact of exchange rate fluctuations on purchasing costs by establishing a domestic production system. In addition, we are striving to reduce the impact of the conversion of foreign currency denominated financial statements of overseas consolidated subsidiaries into Japanese yen on our consolidated financial statements by reducing assets, such as inventory.</p>

Other risks

	Description of risks	Measures to mitigate risks
Risks related to natural disasters, etc.	<p>If a large-scale disaster such as an earthquake or tsunami, or an accident, fire, terrorism or war, etc. occurs near the Group's store facility, logistics base, head office facilities, partner factories or other production facilities and causes serious damage to such facilities, or should the Group become unable to engage in business activities for an extended period of time, including selling products and supplying products to stores due to a pandemic, it may have a significant impact on the business results and financial position of the Group.</p>	<p>A BCP plan has been formulated in case of an emergency such as a large-scale disaster or a pandemic, and we have made thorough preparations to quickly collect information and to be ready for a company-wide response in the event of an emergency. In order to minimize damage to product inventory and ensure a continued supply of products to stores or quick recovery, logistics bases at two locations in the Kanto and Kansai regions have been established.</p>
Risks related to human rights	<p>The Group is engaged in the planning, development, production and supply of products and services in cooperation with its supply chain, including partner factories in Japan and overseas, and its business partners, including vendors. In the course of such business activities, if any incidents occur that seriously damage the human rights of those involved, such as forced labor, child labor, harassment or discriminatory acts, it could lead to a decline in the trust of customers and business partners in the Group, and have a significant impact on the Group's business performance and financial position.</p>	<p>The Group has established the JINS Group Human Rights Policy to fulfill its responsibility to respect the human rights of all stakeholders. This policy applies to all officers and employees of the Group, and we also require all business partners involved in our operations to understand and comply with it. We will also conduct human rights due diligence, starting with our supply chain, and strive to reduce human rights risks. In addition, we conduct regular external audits on our major suppliers, and confirm the prohibition of forced labor, child labor, inhumane treatment and discrimination, as well as the working environment, in an effort to prevent human rights violations. Moreover, the Group has established multiple consultation services for various stakeholders, including business partners, employees, customers, shareholders, and local communities who are involved in the Group's business, and accept consultations regarding human rights. In the unlikely event that a human rights violation is identified, we have a system in place to promptly and sincerely take relief and remedial measures.</p>

	Description of risks	Measures to mitigate risks
Risks related to impairment loss of non-current assets and investment securities	<p>When opening a new store, the Group either constructs a building for the store on a piece of leased land or installs decorations and fixtures inside a leased building or a part of a building, and these buildings, decorations, and fixtures are recorded as non-current assets. Should there be significant deterioration in the profitability of the store, a need to record an impairment loss of non-current assets related to a particular store will arise.</p> <p>Furthermore, to enhance customer experience, optimize supply chain efficiency, and support business expansion both domestically and internationally, we are continuously investing in and developing our IT infrastructure, including core systems and e-commerce sites. These systems may experience delays in planning or unexpected cost overruns. Impairment losses may be accrued if the Group falls short of its goals of improving operational efficiency, reducing costs, or expanding sales through system investments.</p> <p>In addition, although we hold investment securities such as contributions to expand business or develop new business, an impairment loss will be recorded in the event of not achieving the profitability expected when the decision to contribute was made, or if profitability or results are not expected. These recordings may have a significant impact on the business results and financial position of the Group.</p>	<p>The Group monitors the profitability of each store, and if there is a sign of deterioration in profitability, the Group appropriately determines recoverability and records impairment losses as needed to minimize the impact on the business results and financial position of the Group.</p> <p>Furthermore, regarding system investments, the Group has established a dedicated committee to manage these investments. This committee monitors the progress of system development, aims to reduce the amount of system investment, and works to maximize realized benefits, thereby mitigating associated risks.</p> <p>For investment securities, we work to reduce the risks by continuously monitoring the progress of results, etc., after the contribution.</p>

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

(1) Overview of operating results, etc.

1) Financial position and operating results

During the fiscal year ended August 31, 2025 (September 1, 2024 to August 31, 2025), the Japanese economy continued to show sluggish consumer sentiment due to persistent concerns over rising prices and interest rates, with signs of delayed improvement. On the other hand, there have been signs of a pick-up in private consumption and a moderate recovery in the economy, helped by wage increases that were higher than last year and an increase in capital investment on the back of firm business performance.

In the domestic retail eyewear market, there is a shift from low-cost competition to high-value-added products, and the market is expanding on the back of rising unit prices.

Looking at the global economy, against the backdrop of uncertainty caused by the United States' trade policy, there is concern about its impact on each country. In China in particular, in addition to the tariff issues between the United States and China, the prolonged real estate downturn and weak consumer sentiment continue to undermine business confidence. As the Chinese economy is expected to take time for a full-fledged recovery, we will be closely monitoring the impact on the global economy going forward. The outlook around the world is expected to remain uncertain due to increasing geopolitical risks and policy uncertainty in major countries around the world.

Under this market environment, in the eyewear business, the Group took such initiatives as strengthening development of innovative products and advancing store development, which it identified as management issues. As for product development, we are developing products that balance functionality and fashion appeal from a global perspective, tailored to customer needs and usage scenarios. As for store strategies, we have promoted store openings at locations taking into account customer convenience based on the market environment. In Japan, in addition to rolling out our stores in shopping malls and station buildings, we are accelerating store openings at roadside shops in order to further improve our services to family customers who frequently visit our stores by car. For overseas locations, based on the Japanese store model, we are developing stores tailored to the market environment and competitive situation in each region. At the same time, aiming to achieve rapid growth in each country and each region, we are strengthening our store opening strategy and continuing to move forward with closing unprofitable stores and establishing our dominant position.

In terms of store development, the number of eyewear stores as of August 31, 2025, was 789, including 540 stores in Japan and 249 stores overseas (156 in China, 78 in Taiwan, 10 in Hong Kong, and 5 in the United States).

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

(a) Operating results

For the fiscal year under review, the Company posted net sales of ¥97,215 million (up 17.1% year-on-year), operating profit of ¥12,093 million (up 54.3% year-on-year), ordinary profit of ¥12,121 million (up 56.7% year-on-year), and profit attributable to owners of parent of ¥8,330 million (up 78.3% year-on-year).

Operating results by segment are as follows.

Net sales of the domestic eyewear business were ¥76,659 million (up 19.2% year-on-year), and segment operating profit was ¥11,348 million (up 45.7% year-on-year).

Net sales of the overseas eyewear business were ¥20,556 million (up 9.9% year-on-year), and segment operating profit was ¥745 million (¥44 million in the same period last year).

(b) Financial position

Total assets at the end of the fiscal year under review increased ¥3,821 million from the end of the previous fiscal year to ¥57,866 million.

Total liabilities at the end of the fiscal year under review decreased ¥2,327 million from the end of the previous fiscal year to ¥26,124 million.

Net assets at the end of the fiscal year under review increased ¥6,148 million from the end of the previous fiscal year to ¥31,742 million.

2) Cash flows

Cash and cash equivalents as of the end of the fiscal year under review decreased ¥6,695 million from the end of the previous fiscal year to ¥11,977 million. State of each cash flow and factors thereof are as follows.

(a) Cash flows from operating activities

Net cash provided by operating activities decreased ¥456 million year-on-year to ¥10,533 million.

This was mainly due to an increase in funds resulting from the recording of ¥11,628 million in profit before income taxes and ¥2,946 million in depreciation, despite a decrease in funds due to ¥3,158 million of income taxes paid.

(b) Cash flows from investing activities

Net cash used in investing activities increased ¥5,479 million year-on-year to ¥7,864 million.

This was mainly due to the use of ¥2,006 million in purchase of property, plant and equipment in line with the store openings and renovations and ¥3,431 million in purchase of intangible assets.

(c) Cash flows from financing activities

Net cash used in financing activities increased ¥7,089 million year-on-year to ¥9,425 million.

This was mainly due to an increase in funds resulting from a net increase in short-term borrowings of ¥3,697 million offset by payment of ¥10,000 million from the redemption of convertible bond-type bonds with share acquisition rights and dividend payments of ¥2,149 million.

3) Production, orders received, and sales

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

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

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

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

1) Significant accounting policies and estimates

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

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

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

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

Analysis of operating results

(Net sales)

Net sales for the fiscal year under review were ¥97,215 million (up 17.1% year-on-year).

In the domestic eyewear business, amid accelerated store openings, performance continues to be strong due to healthy sales of both high-priced lenses and frames driven by ongoing promotional campaigns, as well as inbound demand and seasonal products.

In terms of store development, the number of stores in Japan was 540 (49 openings and 4 closures).

As a result, net sales of the domestic eyewear business increased by 19.2% year-on-year.

In the overseas eyewear business, business performance in China is recovering steadily due to progress in business restructuring efforts.

In Taiwan, while business performance continues to progress steadily, we are accelerating store openings not only in urban centers but also in rural areas.

In Hong Kong, earnings were lower than expected due to factors such as an economic downturn and increased outbound travel to China and Japan impacted by foreign exchange rates.

In the United States, while we opened a new customer experience store and existing stores performed well, earnings fell short of expectations due to factors such as the timing of the store opening.

In terms of store development, the total number of stores was 249: 156 stores in China (12 openings and 23 closures), 78 stores in Taiwan (18 openings and 1 closure), 10 stores in Hong Kong (1 opening and no closure), and 5 stores in the United States (1 opening and no closure).

As a result, net sales of the overseas eyewear business increased by 9.9% year-on-year.

(Operating profit)

Operating profit for the fiscal year under review was ¥12,093 million (up 54.3% year-on-year).

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

In the overseas eyewear business, business performance is recovering steadily mainly in China due to progress in business restructuring efforts.

(Ordinary profit)

Ordinary profit for the fiscal year under review was ¥12,121 million (up 56.7% year-on-year).

This was mainly due to an increase in operating profit.

(Profit before income taxes)

Profit before income taxes for the fiscal year under review was ¥11,628 million (up 61.5% year-on-year).

This was mainly due to an increase in ordinary profit.

(Profit attributable to owners of parent)

Profit attributable to owners of parent for the fiscal year under review was ¥8,330 million (up 78.3% year-on-year).

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

Analysis of financial position and cash flows

(Assets)

Current assets decreased ¥3,603 million from the end of the previous fiscal year to ¥28,650 million.

This was mainly due to a decrease of ¥6,695 million in cash and deposits resulting from the redemption of convertible bond-type bonds with share acquisition rights, despite increases of ¥1,198 million in merchandise and finished goods and ¥1,395 million in accounts receivable - trade.

Non-current assets grew ¥7,424 million from the end of the previous fiscal year to ¥29,216 million.

This was mainly due to increases of ¥1,597 million in property, plant and equipment such as buildings and structures and ¥1,520 million in leasehold and guarantee deposits as a result of the Group's expansion of retail stores, as well as an increase of ¥3,139 million in intangible fixed assets, mainly associated with system development.

As a result, total assets increased ¥3,821 million from the end of the previous fiscal year to ¥57,866 million.

(Liabilities)

Current liabilities decreased ¥3,946 million from the end of the previous fiscal year to ¥21,717 million.

This was mainly due to a ¥10,005 million decrease resulting from the redemption of convertible bond-type bonds with share acquisition rights, despite increases of ¥3,540 million in short-term borrowings and ¥1,694 million in accounts payable - other and accrued expenses.

Non-current liabilities were up ¥1,619 million from the end of the previous fiscal year to ¥4,406 million.

This was mainly due to increases of ¥1,274 million in long-term accounts payable - other and ¥154 million in asset retirement obligations.

As a result, total liabilities decreased ¥2,327 million from the end of the previous fiscal year to ¥26,124 million.

(Net assets)

Shareholders' equity was up ¥6,186 million from the end of the previous fiscal year to ¥31,367 million.

This was mainly due to the recording of ¥8,330 million in profit attributable to owners of parent, despite a decrease of ¥2,151 million due to the payment of dividends.

Accumulated other comprehensive income decreased ¥37 million from the end of the previous fiscal year to ¥375 million.

As a result, total net assets increased ¥6,148 million from the end of the previous fiscal year to ¥31,742 million.

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

Analysis of sources of capital and funding liquidity

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

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

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

As of the end of the fiscal year under review, short-term borrowings amounted to ¥5,449 million, long-term borrowings (including current portions) were ¥24 million, and lease obligations (including current portions) amounted to ¥256 million.

5. Material contracts, etc.

Not applicable.

6. Research and development activities

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

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

As a result, total research and development expenses were ¥57 million for the fiscal year under review.

III. Status of Equipment and Facilities

1. Summary of capital investment, etc.

Capital investment, etc. for the current consolidated fiscal year included new store openings and store renovations, and the total amount of capital investment including leasehold and guarantee deposits amounted to ¥9,896 million.

The breakdown by segment is as follows.

(Domestic eyewear business)

The Group conducted investments totaling ¥8,710 million for the opening of 49 new specialty eyewear stores, renovation of 22 stores, and system development.

(Overseas eyewear business)

The Group conducted overseas investments totaling ¥1,185 million including leasehold and guarantee deposits for opening 32 new specialty eyewear stores.

2. Status of major equipment and facilities

(1) Submitting company

As of August 31, 2025

Region (location)	Name of segment	Sales floor area (m ²)	Details of facilities	Book value (Millions of yen)						Number of employees (persons)
				Buildings and structures	Tools, furniture and fixtures	Land (area m ²)	Leased assets	Other	Total	
Head office, etc. (Maebashi-shi, Gunma)	Other	1,261.06	Office	135	10	- (1,806.96)	-	-	145	0
Tokyo head office (Chiyoda-ku, Tokyo)	Other	3,160.83	Office	143	23	-	-	1,786	1,953	64
Total		4,421.89	-	278	34	- (1,806.96)	-	1,786	2,099	64

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

2. The book value does not include the amount of construction in progress and software in progress.

3. The number of employees above is the number of people in employment and excludes those seconded from the Company to other companies and includes those seconded from other companies to the Company.

4. Of the above land, the figures in parentheses indicate the land area under lease (including land for parking lots).

5. There are no facilities that are currently inactive.

6. In addition to the above, major rented and leased facilities and equipment include the following.

Name	Number of units	Lease period (years)	Annual lease payment (Millions of yen)	Balance of lease contracts (Millions of yen)
Copiers and office equipment, etc.	3	5	0	1

(2) Domestic subsidiaries

JINS Inc.

As of August 31, 2025

As of August 31, 2023

Region (location)		Name of segment	Sales floor area (m ²)	Details of facilities	Book value (Millions of yen)					Number of employees (persons)	
					Buildings and structures	Tools, furniture and fixtures	Land (area m ²)	Leased assets	Other		Total
Tokyo head office (Chiyoda-ku, Tokyo)		Domestic eyewear business	-	Office	21	20	-	8	446	496	300
Kashiwa warehouse (Kashiwa-shi, Chiba)		Domestic eyewear business	1,448.60	Plant and office	18	0	-	24	14	58	10
Hokkaido region	19 stores	Domestic eyewear business	2,650.58	Store	385	14	-	-	-	399	59
Tohoku region	38 stores	Domestic eyewear business	5,696.90	Store	768	48	(546.0)	-	-	816	105
Kanto region	224 stores	Domestic eyewear business	29,113.85	Stores, etc.	3,815	181	(10,217.99)	30	292	4,320	846
Chubu region	86 stores	Domestic eyewear business	12,608.16	Store Office	1,637	80	(1,396.44)	3	-	1,721	252
Kinki region	83 stores	Domestic eyewear business	10,976.57	Store Office	1,314	86	(713.89)	-	11	1,412	289
Chugoku- Shikoku region	38 stores	Domestic eyewear business	5,587.41	Store	527	21	(439.43)	-	-	548	113
Kyushu- Okinawa region	52 stores	Domestic eyewear business	7,134.89	Store Office	818	44	-	-	0	863	145
Total			75,216.95	-	9,306	498	(13,313.75)	66	764	10,635	2,119

(Notes) 1. "Other" in the book value refers to machinery and equipment, software, etc.

2. The book value does not include the amount of construction in progress and software in progress.

3. The book value is the amount after impairment loss is recognized.

4. Of the above land, the figures in parentheses indicate the land area under lease (including land for parking lots).

5. The number of employees above is the number of people in employment and excludes those seconded from the Company to other companies and includes those seconded from other companies to the Company.

6. There are no facilities that are currently inactive.

7. In addition to the above, major rented and leased facilities and equipment include the following.

Name	Number of units	Lease period (years)	Annual lease payment (Millions of yen)	Balance of lease contracts (Millions of yen)
Vision tester, lens edging machine and other ophthalmic equipment	4,220	5	807	2,243
Interior, furniture, etc.	80	5	8	16
Copiers and office equipment, etc.	3	5	0	1

(3) Overseas subsidiaries

As of August 31, 2025

Company name	Office name (location)	Name of segment	Sales floor area (m ²)	Details of facilities	Book value (Millions of yen)					Number of employees (persons)
					Buildings and structures	Tools, furniture and fixtures	Leased assets	Other	Total	
JINS SHANGHAI CO., LTD.	Shanghai, China	Overseas eyewear business	15,078.42	Store Office	421	34	345	85	886	791
JINS Hong Kong Limited	Hong Kong SAR, China	Overseas eyewear business	1,024.99	Store Office	29	6	-	-	36	64
JINS TAIWAN CO., LTD.	Taipei, Taiwan	Overseas eyewear business	7,417.57	Store Office	547	282	0	57	887	574
JINS Eyewear US, Inc.	California, U.S.	Overseas eyewear business	809.90	Store Office	188	30	3	45	268	40
Total			24,330.88	-	1,187	353	349	187	2,078	1,469

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

2. The book value does not include the amount of construction in progress and software in progress.

3. The book value is the amount after impairment loss is recognized.

4. The number of employees above is the number of people in employment.

5. There are no facilities that are currently inactive.

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

(1) New installation of major facilities, etc.

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS Seki Store (Seki-shi, Gifu)	Domestic eyewear business	Store	116	45	Self-funding	August 2025	September 2025	Increase in net sales
JINS NEWoMan TAKANAWA Store (Minato-ku, Tokyo)	Domestic eyewear business	Store	32	8	Self-funding	August 2025	September 2025	Increase in net sales
JINS Odakyu Department Store Shinjuku Store (Shinjuku-ku, Tokyo)	Domestic eyewear business	Store	25	-	Self-funding	August 2025	September 2025	Increase in net sales
JINS SEIJO CORTY Store (Setagaya-ku, Tokyo)	Domestic eyewear business	Store	48	14	Self-funding	August 2025	September 2025	Increase in net sales
JINS ISESAKI GARDENS Store (Isesaki-shi, Gunma)	Domestic eyewear business	Store	29	3	Self-funding	August 2025	September 2025	Increase in net sales
JINS AEON TOWN Naritatomisato Store (Narita-shi, Chiba)	Domestic eyewear business	Store	28	-	Self-funding	September 2025	October 2025	Increase in net sales
JINS AEON MALL Sendai Kamisugi Store (Aoba-ku, Sendai-shi, Miyagi)	Domestic eyewear business	Store	44	1	Self-funding	September 2025	October 2025	Increase in net sales
JINS Tokyu Department Store Tama-plaza Store (Aoba-ku, Yokohama-shi, Kanagawa)	Domestic eyewear business	Store	36	-	Self-funding	September 2025	October 2025	Increase in net sales
JINS Mihara Store (Mihara-shi, Hiroshima)	Domestic eyewear business	Store	74	44	Self-funding	September 2025	October 2025	Increase in net sales
JINS Kobe Ikawa-dani Store (Nishi-ku, Kobe-shi, Hyogo)	Domestic eyewear business	Store	88	24	Self-funding	September 2025	October 2025	Increase in net sales

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS Kusatsu A SQUARE Store (Kusatsu-shi, Shiga)	Domestic eyewear business	Store	50	-	Self-funding	October 2025	October 2025	Increase in net sales
JINS Ofuna LUMINE WING Store (Kamakura-shi, Kanagawa)	Domestic eyewear business	Store	48	-	Self-funding	October 2025	November 2025	Increase in net sales
JINS AEON TOWN Noda Nanakodai Store (Noda-shi, Chiba)	Domestic eyewear business	Store	38	-	Self-funding	October 2025	November 2025	Increase in net sales
JINS AEON MALL Kobe Minami Store (Hyogo-ku, Kobe-shi, Hyogo)	Domestic eyewear business	Store	35	-	Self-funding	October 2025	November 2025	Increase in net sales
JINS Uozu Store (Uozu-shi, Toyama)	Domestic eyewear business	Store	44	2	Self-funding	October 2025	November 2025	Increase in net sales
JINS AEON TOWN Higashi Narashino Store (Narashino-shi, Chiba)	Domestic eyewear business	Store	42	-	Self-funding	October 2025	November 2025	Increase in net sales
JINS Ginza Store (Chuo-ku, Tokyo)	Domestic eyewear business	Store	1,224	842	Self-funding	October 2024	March 2026	Increase in net sales
JINS Shinjuku Store (Shinjuku-ku, Tokyo)	Domestic eyewear business	Store	1,084	660	Self-funding	February 2025	April 2026	Increase in net sales
JINS TIANJIN AQUA CITY Store (Tianjin, China)	Overseas eyewear business	Store	10	3	Self-funding	July 2025	July 2025	Increase in net sales
JINS Shanghai Sky Vanke Mall Store (Shanghai, China)	Overseas eyewear business	Store	7	3	Self-funding	August 2025	September 2025	Increase in net sales
JINS Beijing Longfor Yizhuang Paradise Walk Store (Beijing, China)	Overseas eyewear business	Store	10	2	Self-funding	August 2025	September 2025	Increase in net sales
JINS Tianjin Henglong Plaza Store (Tianjin, China)	Overseas eyewear business	Store	7	2	Self-funding	September 2025	October 2025	Increase in net sales
JINS ASE WeMall Tucheng Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	36	9	Self-funding	June 2025	July 2025	Increase in net sales
RIM Q Square Store (Taipei City, Taiwan)	Overseas eyewear business	Store	36	27	Self-funding	July 2025	August 2025	Increase in net sales
JINS Breeze Xinyi Store (Taipei City, Taiwan)	Overseas eyewear business	Store	36	25	Self-funding	July 2025	August 2025	Increase in net sales
JINS Songshan Minguang Store (Taipei City, Taiwan)	Overseas eyewear business	Store	36	26	Self-funding	August 2025	September 2025	Increase in net sales
JINS A.mart Shuinan Store (Taichung City, Taiwan)	Overseas eyewear business	Store	36	22	Self-funding	July 2025	August 2025	Increase in net sales
JINS eslite 480 Store (Taichung City, Taiwan)	Overseas eyewear business	Store	36	25	Self-funding	July 2025	August 2025	Increase in net sales
JINS eslite Fuzhong Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	36	23	Self-funding	August 2025	September 2025	Increase in net sales
JINS Nice Plaza Chiayi Store (Chiayi City, Taiwan)	Overseas eyewear business	Store	36	24	Self-funding	September 2025	October 2025	Increase in net sales

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS eslite Ximen Store (Taipei City, Taiwan)	Overseas eyewear business	Store	36	29	Self-funding	September 2025	October 2025	Increase in net sales
JINS Global Mall Nangang Store (Taipei City, Taiwan)	Overseas eyewear business	Store	36	30	Self-funding	September 2025	October 2025	Increase in net sales
JINS HONHUI Plaza Store (New Taipei City, Taiwan)	Overseas eyewear business	Store	36	23	Self-funding	September 2025	October 2025	Increase in net sales
JINS Carrefour Beigang Store (Yunlin County, Taiwan)	Overseas eyewear business	Store	36	24	Self-funding	September 2025	October 2025	Increase in net sales
JINS PX Mart Qingpu Store (Taoyuan City, Taiwan)	Overseas eyewear business	Store	36	25	Self-funding	October 2025	October 2025	Increase in net sales
JINS Stones Town Store (California, U.S.)	Overseas eyewear business	Store	116	50	Self-funding	December 2024	October 2025	Increase in net sales
Tokyo head office (Chiyoda-ku, Tokyo)	Other	System	278	-	Self-funding	-	-	Improvement of operational efficiency, etc.
Total		-	3,990	2,027	-	-	-	-

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

(2) Renovation of major facilities

Office name (location)	Name of segment	Details of facilities	Planned investment amount		Funding method	Start date	Scheduled completion date	Capacity to be increased after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)				
JINS mewe Hashimoto Store (Midori-ku, Sagami-hara-shi, Kanagawa)	Domestic eyewear business	Store	33	2	Self- funding	August 2025	September 2025	Increase in net sales
RIM Lumine Shinjuku Store (Shinjuku-ku, Tokyo)	Domestic eyewear business	Store	18	0	Self- funding	August 2025	September 2025	Increase in net sales
JINS Tokyo Station GRANSTA YAESU (Chiyoda-ku, Tokyo)	Domestic eyewear business	Store	16	-	Self- funding	August 2025	September 2025	Increase in net sales
JINS SAN-A Kyo-zuka City Store (Urasoe-shi, Okinawa)	Domestic eyewear business	Store	32	0	Self- funding	September 2025	October 2025	Increase in net sales
JINS Nagoya UNIMALL Store (Nakamura-ku, Nagoya-shi, Aichi)	Domestic eyewear business	Store	31	-	Self- funding	September 2025	October 2025	Increase in net sales
JINS Daimaru Kyoto Store (Shimogyo-ku, Kyoto-shi, Kyoto)	Domestic eyewear business	Store	30	-	Self- funding	September 2025	October 2025	Increase in net sales
JINS AEON MALL Sapporo Hiraoka Store (Kiyota-ku, Sapporo-shi, Hokkaido)	Domestic eyewear business	Store	24	-	Self- funding	September 2025	October 2025	Increase in net sales
RIM Lumine Yokohama Store (Nishi-ku, Yokohama-shi, Kanagawa)	Domestic eyewear business	Store	18	-	Self- funding	September 2025	October 2025	Increase in net sales
JINS AEON MALL Kawaguchi Maekawa Store (Kawaguchi-shi, Saitama)	Domestic eyewear business	Store	15	-	Self- funding	September 2025	October 2025	Increase in net sales
JINS LaLaport TOKYO-BAY Store (Funabashi-shi, Chiba)	Domestic eyewear business	Store	41	-	Self- funding	September 2025	October 2025	Increase in net sales
JINS AEON MALL Osaka Dome City Store (Nishi-ku, Osaka-shi, Osaka)	Domestic eyewear business	Store	22	-	Self- funding	October 2025	November 2025	Increase in net sales
JINS AEON MALL Fukuoka Store (Kasuya-machi, Kasuya-gun, Fukuoka)	Domestic eyewear business	Store	36	-	Self- funding	October 2025	November 2025	Increase in net sales
JINS Shimachu Home's Soka Toneri Store (Soka-shi, Saitama)	Domestic eyewear business	Store	49	-	Self- funding	October 2025	November 2025	Increase in net sales
Total		-	374	2	-	-	-	-

(3) Disposal of major facilities, etc.

The plan to dispose of equipment and facilities as of August 31, 2025, is mainly related to the renovation of stores to be implemented in the domestic eyewear business for the purpose of improving the efficiency of store operations.

IV. Status of the Submitting Company

1. Status of shares, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of authorized shares (shares)
Share capital	73,920,000
Total	73,920,000

2) Issued shares

Class	As of the end of the fiscal year (shares) (August 31, 2025)	As of the submission date (shares) (November 27, 2025)	Stock exchange on which the Company is listed	Details
Share capital	23,980,000	23,980,000	Tokyo Stock Exchange (Prime Market)	The number of shares constituting one unit is 100 shares.
Total	23,980,000	23,980,000	—	—

(2) Status of share acquisition rights, etc.

1) Details of the stock option plan

Not applicable.

2) Details of the rights plan

Not applicable.

3) Status of other share acquisition rights, etc.

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 share capital, etc.

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

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

Issue price ¥1,618

Issue par ¥1,533.70

Capitalization amount ¥766.85

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

Issue price ¥1,618

Issue par ¥1,533.70

Capitalization amount ¥766.85

Allottee Mizuho Securities Co., Ltd.

(5) Status by type of shareholders

As of August 31, 2025

Classification	Status of shares (the number of shares per unit: 100 shares)								Status of odd-lot shares (shares)
	Government and local municipalities	Domestic financial institutions	Financial instruments business operators	Other domestic corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (persons)	-	25	21	234	209	99	29,781	30,369	-
Number of shares held (units)	-	28,546	2,038	28,194	45,484	147	135,228	239,637	16,300
Percentage of shares held (%)	-	11.91	0.85	11.76	18.98	0.06	56.43	100.00	-

(Notes) 1. 340,141 shares of treasury stock are included as 3,401 units in the item of “Individuals and others” and as 41 shares in the “Status of odd-lot shares.”

2. 298,238 shares (2,982 units) held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the “Stock Benefit Trust (J-ESOP)” are included in “Financial Institutions.”

(6) Status of major shareholders

As of August 31, 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	8,104,500	34.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1 Akasaka 1-chome, Minato-ku, Tokyo	1,723,000	7.29
MARS G.K.	1 Kanda Nishiki-cho 3-chome, Chiyoda-ku, Tokyo	1,200,000	5.08
Jupiter Corporation	1 Kanda Nishiki-cho 3-chome, Chiyoda-ku, Tokyo	600,000	2.54
Venus Corporation	1 Kanda Nishiki-cho 3-chome, Chiyoda-ku, Tokyo	600,000	2.54
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	421,600	1.78
THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. 15-1 Konan 2-chome, Minato-ku, Tokyo	381,295	1.61
Shunichi Katono	Iwaki-shi, Fukushima	346,600	1.47
Custody Bank of Japan, Ltd. (Trust E Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	298,238	1.26
MORGAN STANLEY & CO. LLC (Standing proxy: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	1585 BROADWAY NEW YORK, NEW YORK 10036, U.S.A. 9-7 Otemachi, 1-chome, Chiyoda-ku, Tokyo	290,200	1.23
Total	-	13,965,433	59.08

- (Notes) 1. The number of shares held by The Master Trust Bank of Japan, Ltd. of 1,723,000 shares relates to trust operations. These shares include 23,900 shares held in pension trusts, 268,500 shares held in investment trusts, and 1,430,600 shares held in other trusts.
2. The number of shares held by Custody Bank of Japan, Ltd. of 421,600 shares relates to trust operations. These shares include 69,500 shares held in pension trusts, 221,600 shares held in investment trusts, and 130,500 shares held in other trusts.
3. The Company has introduced the “Stock Benefit Trust (J-ESOP),” and Custody Bank of Japan, Ltd. (Trust E Account) holds 298,238 of the Company’s shares. The Company’s shares held by Custody Bank of Japan, Ltd. (Trust E Account) are not included in treasury stock.
4. The number of shares held by officers indicates the actual number of shares held including shares held by the Company’s Executive Share Ownership Plan.
5. In the change report (share certificates, etc. subject to special rules) made available for public inspection on February 7, 2025, it is stated that Mizuho Securities Co., Ltd. and its joint holder Asset Management One Co., Ltd. hold the following shares as of January 31, 2025. However, since the Company is unable to confirm the actual number of shares held by them as of August 31, 2025, they are not included in the above status of major shareholders.

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

Name	Address	Number of shares held (shares)	Shareholding ratio (%)
Mizuho Securities Co., Ltd.	5-1 Otemachi, 1-chome, Chiyoda-ku, Tokyo	477,921	1.93
Mizuho Trust & Banking Co., Ltd.	3-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo	299,119	1.21
Asset Management One Co., Ltd.	8-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	756,200	3.06
Mizuho International (Mizuho International plc)	30 Old Bailey, London, EC4M 7AU, United Kingdom	0	0
Total	-	1,533,240	6.20

6. In the change report (share certificates, etc. subject to special rules) made available for public inspection on March 7, 2025, it is stated that Mizuho Securities Co., Ltd. and its joint holder Asset Management One Co., Ltd. hold the following shares as of February 28, 2025. However, since the Company is unable to confirm the actual number of shares held by them as of August 31, 2025, they are not included in the above status of major shareholders.

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

Name	Address	Number of shares held (shares)	Shareholding ratio (%)
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
Total	-	1,087,019	4.53

7. In the large shareholding report (share certificates, etc. subject to special rules) made available for public inspection on September 5, 2025, it is stated that SMBC Nikko Securities Inc. and its joint holders Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui DS Asset Management Company, Limited hold the following shares as of August 29, 2025. However, since the Company is unable to confirm the actual number of shares held by them as of August 31, 2025, they are not included in the above status of major shareholders.

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

Name	Address	Number of shares held (shares)	Shareholding ratio (%)
SMBC Nikko Securities Inc.	3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo	840,758	3.51
Sumitomo Mitsui Banking Corporation	1-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	150,000	0.63
Sumitomo Mitsui DS Asset Management Company, Limited	17-1 Toranomom 1-chome, Minato-ku, Tokyo	209,500	0.87
Total	-	1,200,258	5.01

(7) Status of voting rights

1) Issued shares

As of August 31, 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.)	Share capital 340,100	—	—
Shares with full voting rights (others)	Share capital 23,623,600	236,236	Number of shares per unit: 100 shares
Odd-lot shares	Share capital 16,300	—	—
Total number of issued shares	23,980,000	—	—
Total voting rights held by shareholders	—	236,236	—

(Note) Common shares in the “Shares with full voting rights (others)” column include 298,238 shares (2,982 voting rights) held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the “Stock Benefit Trust (J-ESOP).”

2) Treasury stock, etc.

As of August 31, 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) The 298,238 shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the “Stock Benefit Trust (J-ESOP)” are not included in treasury stock, etc. above.

(8) [Details of Officer and Employee Stock Ownership Plan]

The Company has implemented an Employee Stock Ownership Plan (ESOP) for its employees.

1) ESOP program for employees

a. Overview of the system

Based on a resolution of the Board of Directors meeting held on January 12, 2024, the Company has introduced an incentive plan, the “Stock Benefit Trust (J-ESOP),” whereby the Company delivers its shares to employees of the Company and its subsidiaries who meet certain requirements for the purpose of boosting the motivation and morale of the employees to improve stock prices and business performance.

b. Scope of persons eligible to receive beneficial interests and other rights under this system

This is a mechanism to grant the Company’s shares to employees who meet certain requirements, based on the Share Awards Regulations established by the Company. The Company awards points to employees in accordance with individual contributions and other factors, and provides the Company’s shares equivalent to the points awarded when the employees acquire the right to receive benefits under certain conditions.

c. Total number of shares of the Company to be delivered under this system

The number of shares held by the trust as of August 31, 2025 is 298,238.

2. Status of acquisition of treasury stock, etc.

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

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

Not applicable.

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

Not applicable.

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

Classification	Number of shares (shares)	Total amount of value (Millions of yen)
Acquired treasury stock during the current fiscal year	77	0
Acquired treasury stock during the current period	-	-

(Note) Acquired treasury stock during the current period does not include the number of shares acquired through the purchase of odd-lot shares from November 1, 2025, to the date of submission of the Annual Securities Report.

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

Classification	Current fiscal year		Current period	
	Number of shares (shares)	Total amount of disposal value (Millions of yen)	Number of shares (shares)	Total amount of disposal value (Millions of yen)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock disposed of for retirement	-	-	-	-
Acquired treasury stock transferred in connection with a merger, share exchange, share issuance, or company split	-	-	-	-
Other	-	-	-	-
Number of treasury stock held	340,141	-	340,141	-

(Notes) 1. The number of treasury stock held during the current period does not include the number of shares acquired through the purchase of odd-lot shares from November 1, 2025, to the date of submission of this Annual Securities Report.

2. The number of treasury stock disposed and held during the current fiscal year and the current period does not include 298,238 shares of the Company held by trusts related to stock-based compensation plans.

3. Dividend policy

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

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

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

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (yen)
Resolution by the Board of Directors on April 11, 2025	1,181	50.00
Resolution at the Annual General Meeting of Shareholders on November 27, 2025	1,394	59.00

4. Status of corporate governance, etc.

(1) Overview of corporate governance

1) Fundamental thought process related to Corporate Governance

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

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

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

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

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

The Company is working to strengthen corporate governance based on the above "1) Fundamental thought process related to Corporate Governance." The Company has transitioned from a Company with a Board of Auditors to a Company with an Audit and Supervisory Committee following approval at the 37th Annual General Meeting of Shareholders held on November 28, 2024. Since then, as a company with an Audit and Supervisory Committee, we have continued to further promote the separation of supervisory and executive functions in management, strengthened our ability to make prompt and decisive decisions and respond to change. We are continuously working to build a sound and transparent management system, including improving supervisory functions to ensure the appropriateness and efficiency of business execution, as well as enhancing internal control functions. By adopting this system, the Company aims to further strengthen the supervisory function of the Board of Directors by the Directors in charge of auditing (including Outside Directors) and strives to enhance corporate value through further enhancing and strengthening corporate governance.

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

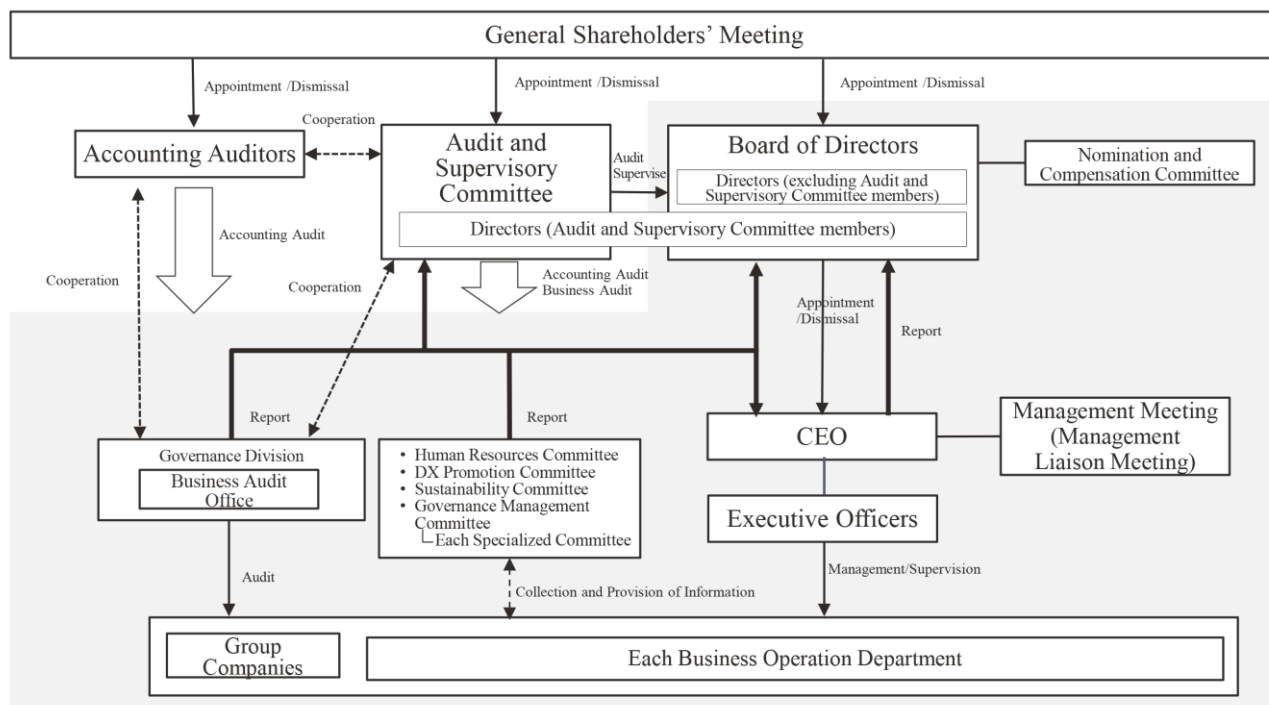
Meetings of the Board of Directors are generally held once a month, and extraordinary meetings of the Board of Directors are held as needed. At meetings of the Board of Directors, important managerial decisions are made, and the state of business execution is reported, with each Director actively participating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

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

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

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

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



3) Other matters concerning corporate governance

Status of internal control system

An outline of the Company's system for ensuring that Directors perform their duties in compliance with applicable laws and the Articles of Incorporation and other systems for ensuring the appropriateness of the Company's operations is as follows.

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

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

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

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

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

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

Based on internal rules, a department in charge of auditing periodically conducts internal audits on the overall status of operations; specifically, the status of compliance with laws and regulations, the Articles of Incorporation, and internal rules, as well as the appropriateness of procedures for executing duties and of business contents. The department in charge of auditing then reports the results of said audits to the Board of Directors, the Audit and Supervisory Committee and the Representative Director.

As measures for eliminating anti-social forces, all officers and employees must comply with the “Guidelines for Code of Ethics.” In the “Guidelines for Code of Ethics,” the Company declares its resolute response to anti-social forces which threaten social order, its disassociation with illegal acts and anti-social acts, and its prohibition of all benefits for anti-social forces. The Company works to eliminate all relationships with anti-social forces.

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

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

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

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

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

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

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

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

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

d. System to ensure that Directors execute their duties efficiently

The Company formulates a medium-term business plan and a single-year business plan in order to define a company-wide future vision in response to changes in the business environment. In order to achieve these plans, the Company shall clarify the authority and duties of Directors, and shall improve the efficiency of execution of duties.

In addition, by implementing an executive officer system, the Company shall strive to strengthen the supervisory function of Directors through delegation of authority for executing certain business operations. Furthermore, the Management Committee, which consists of executive and other officers and is chaired by the Representative Director, shall be held under the Board of Directors. The Management Committee shall engage in advance deliberations for enhancing discussions at the Board of Directors. Also, within the extent of authority delegated by the Board of Directors, the Management Committee shall deliberate and make decisions on the execution of the Company’s business and implementation of measures.

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

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

In accordance with the “Affiliates Management Regulations,” the person in charge and the supervisory department shall manage and provide guidance to the affiliates through prior consultation, reporting, and meetings.

Affiliates with a high degree of importance for the Group’s business performance give periodic reports on management results and other important matters, at a management liaison conference which is attended by the Company’s Directors, Executive Officers, and management team from the applicable affiliates.

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

Furthermore, in addition to the “JINS Group Code of Ethical Conduct” and the “Guidelines for Code of Ethics,” the Company shall apply the “JINS Group Human Rights Policy” and the “JINS Group Anti-Corruption Policy” to all officers and employees of the Company and its affiliates, and shall ensure that all applicable individuals are aware of the codes and policies.

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

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

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

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

Consent shall be obtained in advance from the Audit and Supervisory Committee in regards to the transfer or personnel evaluation of an Assistant to the Audit and Supervisory Committee. In addition, the Assistant to the Audit and Supervisory

Committee who has received an order necessary for auditing work from the Audit and Supervisory Committee shall possess the authority to view documents, enter the audit site, etc., within the scope necessary to perform the duties of the Assistant to the Audit and Supervisory Committee.

- h. Systems for Directors (excluding Audit and Supervisory Committee members), Executive Officers, and other employees to report to the Audit and Supervisory Committee, systems related to such reporting, and systems to ensure that individuals making such reports do not receive unfavorable treatment as a result.

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

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

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

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

The Company shall establish a system to ensure that persons who have reported to the Audit and Supervisory Committee do not receive unfavorable treatment at the Company because of the report.

- i. System for officers and employees of the affiliates to report to the Audit and Supervisory Committee and a system to ensure that persons who have made such reports do not receive unfavorable treatment because of the report

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

As necessary, the Audit and Supervisory Committee shall be able to request reports on the contents of business execution from Directors and employees of the affiliates, and reports on the status of audits from Auditors of the affiliates.

The Company shall establish a system to ensure that persons who have reported to the Audit and Supervisory Committee do not receive unfavorable treatment at the Company or the affiliates because of the report.

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

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

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

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

- l. System to ensure the reliability of financial reports

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

Status of risk management system

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

4) Overview of liability limitation agreements

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

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

5) Other

a) Number of Directors

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

b) Requirements for resolution on election of Directors

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

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

a. Acquisition of treasury stock

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

b. Interim dividend

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

c. Exemption from liability of Directors

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

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

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

6) Status of activities of the Board of Directors

Board of Directors meetings were held 14 times in the current fiscal year, and attendance was as follows.

Title and position	Name	Attendance at meetings of the Board of Directors
President and CEO	Hitoshi Tanaka	13/14 (93%)
Director	Ryo Tanaka	14/14 (100%)
Outside Director	Noboru Kotani	14/14 (100%)
Outside Director	Jiro Kokuryo	13/14 (93%)
Outside Director	Chiaki Hayashi	14/14 (100%)
Outside Director (Full-time Audit and Supervisory Committee Member)	Masatoshi Arimura	14/14 (100%)
Outside Director (Audit and Supervisory Committee Member)	Tetsuya Oi	14/14 (100%)
Outside Director (Audit and Supervisory Committee Member)	Tsuguya Ota	14/14 (100%)

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

7) Status of activities of the Nomination and Compensation Committee

Four Nomination and Compensation Committee meetings were held in the current fiscal year, and attendance was as follows.

Title and position	Name	Attendance at meetings of the Board of Directors
President and CEO	Hitoshi Tanaka	4/4 (100%)
Outside Director	Noboru Kotani	4/4 (100%)
Outside Director	Jiro Kokuryo	4/4 (100%)
Outside Director	Chiaki Hayashi	4/4 (100%)

The Nomination and Compensation Committee deliberated on key matters including compensation for Directors and Executive Officers, the appointment of Director candidates, and personnel matters concerning the Representative Director.

8) Status of meetings of other committees

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

(2) Status of officers

1) List of officers

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

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (shares)
Representative Director, Chairman and CEO	Hitoshi Tanaka	January 25, 1963	April 1981 April 1986 April 1987 July 1988 June 2011 September 2012 February 2013 February 2013 December 2013 May 2015 June 2015 June 2015 May 2018 December 2018 June 2021 October 2022 December 2023 November 2025	Joined Maebashi Shinkin Bank (currently Shinonome Shinkin Bank) Joined Studio Clip Co., Ltd. Established Jin Products, a manufacturer and wholesaler of clothing and accessories Established JIN Ltd. (currently JINS HOLDINGS Inc.) and assumed the position of President and Representative Director President and CEO, Brand New Day Co., Ltd. Chairman, JINS SHENYANG CO., LTD. Chairman, JINS SHANGHAI CO., LTD. Chairman, JINS BEIJING CO., LTD. CEO, JINS US Holdings, Inc. Representative Director, JINS norma CO., LTD. Director, JINS TAIWAN CO., LTD. Outside Director, Oisix Inc. (currently Oisix ra daichi Inc.) (incumbent) President and CEO, JINS Japan Co., Ltd. (currently JINS Inc.) Chairman, JINS TAIWAN CO., LTD. Outside Director, Japan Communications Inc. (incumbent) Outside Director, Mebuku Ground Inc. (incumbent) Director, JINS Inc. (incumbent) Representative Director, Chairman and CEO, the Company (incumbent)	(Note 5)	8,104,500
Representative Director, President and COO	Ryo Tanaka	August 6, 1985	April 2008 March 2011 September 2012 April 2017 September 2017 December 2020 November 2021 October 2022 November 2022 January 2023 January 2023 December 2023 December 2024 November 2025	Joined Mizuho Bank, Ltd. Joined Brand New Day Inc. Division Director, Brand New Day Inc. Joined the Company General Manager, Brand Management Office, the Company Executive Officer (in charge of the domestic eyewear business), the Company Director, the Company Director, Yamato Technical Co., Ltd. (incumbent) Executive Vice President, the Company Director, JINS SHANGHAI CO., LTD. CFO, JINS US Holdings, Inc. President and Representative Director, JINS Inc. (incumbent) Executive Officer and COO, the Company (incumbent) Representative Director and President, the Company (incumbent)	(Note 5)	200,666

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (shares)
Director	Noboru Kotani	November 13, 1956	<p>April 1981 June 2000</p> <p>March 2005</p> <p>June 2005 November 2006</p> <p>March 2013</p> <p>March 2018 June 2022</p> <p>January 2025</p>	<p>Joined Boston Consulting Group K.K. Representative Director, Dream Incubator Inc.</p> <p>Representative Director, Vehicle Inc. (incumbent)</p> <p>Outside Director, Combi Corporation</p> <p>Outside Director, the Company (incumbent)</p> <p>Outside Director, SanBio, Inc. (incumbent)</p> <p>Outside Director, Medley, Inc.</p> <p>Outside Director, Santen Pharmaceutical Co., Ltd.</p> <p>Outside Director, toggle holdings Inc. (incumbent)</p>	(Note 5)	20,000
Director	Jiro Kokuryo	July 19, 1959	<p>April 1982</p> <p>June 1992</p> <p>April 1993</p> <p>April 2000</p> <p>April 2003</p> <p>May 2005</p> <p>April 2006</p> <p>April 2009</p> <p>May 2013</p> <p>November 2017</p> <p>July 2019</p> <p>August 31, 2022</p> <p>October 2022</p> <p>April 2025</p>	<p>Joined Nippon Telegraph and Telephone Public Corporation (currently NTT, Inc.)</p> <p>Doctor of Business Administration, Harvard University</p> <p>Associate Professor, Graduate School of Business Administration, Keio University</p> <p>Professor, Graduate School of Business Administration, Keio University</p> <p>Professor, Faculty of Environmental Information, Keio University</p> <p>Executive Director, Keio Research Institute at SFC</p> <p>Professor, Faculty of Policy Management, Keio University</p> <p>Dean, Faculty of Policy Management, Keio University</p> <p>Executive Director, Keio University</p> <p>Outside Director, the Company (incumbent)</p> <p>Outside Director, QON Inc. (incumbent)</p> <p>Outside Director, Hacobu, Inc. (incumbent)</p> <p>Outside Director, Mebuku Ground Inc. (incumbent)</p> <p>Professor, Institute for Business and Finance, Waseda University (incumbent)</p>	(Note 5)	1,466
Director	Chiaki Hayashi	August 8, 1971	<p>April 1994</p> <p>June 1999</p> <p>February 2000</p> <p>April 2012</p> <p>April 2014</p> <p>April 2019</p> <p>March 2020</p> <p>October 2020</p> <p>February 2021</p> <p>November 2021</p> <p>August 31, 2022</p> <p>September 2022</p> <p>June 2024</p> <p>June 2025</p>	<p>Joined Kao Corporation</p> <p>Joined New York Bureau, K.K. Kyodo News</p> <p>Established Loftwork Inc. as Representative Director</p> <p>Assistant Director, MIT Media Lab</p> <p>Chief Executive Officer, Hidakuma Co., Ltd.</p> <p>Chairperson, Hidakuma Co., Ltd. (incumbent)</p> <p>Outside Director, Pigeon Corporation (incumbent)</p> <p>Outside Director, Yayoi Co., Ltd. (incumbent)</p> <p>Chairman of the Board of Directors, Loftwork Inc.</p> <p>Outside Director, the Company (incumbent)</p> <p>Established Hachi Hachi Inc. as Representative Director (incumbent)</p> <p>Established Q0 Inc. as Representative Director and President (incumbent)</p> <p>Director, Consumer Co-operative Co-op Sapporo (incumbent)</p> <p>Executive Director, Japan Institute of Design Promotion (incumbent)</p>	(Note 5)	333

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (shares)
Director (Audit and Supervisory Committee Member)	Masatoshi Arimura	January 13, 1958	April 1982 January 2009 June 2013 June 2014 June 2019 November 2020 July 2021 October 2022 January 2023 November 2024	Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) Director, SMBC Loan Advisor Co., Ltd. Director, SMBC Guarantee Co., Ltd. Outside Auditor, SMBC Green Service Co., Ltd. Senior Managing Director, SMBC Guarantee Co., Ltd. Outside Auditor, the Company Auditor, JINS SHANGHAI CO., LTD. (incumbent) Auditor, Yamato Technical Co., Ltd. (incumbent) Auditor, JINS TAIWAN CO., LTD. Outside Director (Audit and Supervisory Committee), the Company (incumbent)	(Note 6)	99
Director (Audit and Supervisory Committee Member)	Tetsuya Oi	January 5, 1972	October 2001 August 2007 January 2011 November 2013 July 2014 September 2016 December 2019 July 2022 November 2024	Registered as Attorney-at-law, joined TMI Associates Trainee at Carlsmith Ball LLP (U.S.) Partner, TMI Associates (incumbent) Outside Auditor, the Company External Audit & Supervisory Board Member, MarketEnterprise Co., Ltd. (incumbent) Outside Director of Audit and Supervisory Committee, Techfirm Holdings Inc. (incumbent) Representative Director, TMI PRIVACY AND SECURITY Co., Ltd. (incumbent) Outside Director (Audit and Supervisory Committee member), IMAGE MAGIC Inc. (incumbent) Outside Director (Audit and Supervisory Committee), the Company (incumbent)	(Note 6)	-
Director (Audit and Supervisory Committee Member)	Tsuguya Ota	December 16, 1975	April 1998 October 2001 February 2005 March 2005 March 2006 June 2006 October 2015 November 2017 November 2024	Joined Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.) Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) President, Spiralll & Company Y.K. (currently Spiralll & Company K.K.) (incumbent) Registered as a certified public accountant Opened Ota Tsuguya Certified Public Accountants Office Registered as a certified public tax accountant Senior Partner, Certified Public Tax Accountants Firm Spiralll (incumbent) Auditor, Estore Corporation Outside Auditor, the Company Outside Director (Audit and Supervisory Committee), the Company (incumbent)	(Note 6)	533
						8,327,597

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

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

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

4. The Company introduced the executive officer system on December 1, 2006.

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

5. The term of office is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended August 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending August 2026.

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

7. The number of shares of the Company held by Directors includes the number of shares held by the Company's Executive Share Ownership Plan as of August 31, 2025.

2) Status of Outside officers

As of the date of submission of the Annual Securities Report, the Company has three Outside Directors (excluding Directors who are Audit and Supervisory Committee members) (hereinafter, the “Outside Directors”) and three Outside Directors who are Audit and Supervisory Committee members (hereinafter, the “Outside Audit and Supervisory Committee members”). Mr. Noboru Kotani, an Outside Director, holds 20,000 shares, Mr. Jiro Kokuryo, an Outside Director, holds 1,466 shares, Ms. Chiaki Hayashi, an Outside Director, holds 333 shares, Mr. Masatoshi Arimura, an Outside Audit and Supervisory Committee member, holds 99 shares, and Mr. Tsuguya Ota, an Outside Audit and Supervisory Committee member, holds 533 shares of the Company’s stock. In addition, the Company has entered into a legal advisory agreement with TMI Associates, to which Mr. Tetsuya Oi, an Outside Audit and Supervisory Committee member, belongs, and the Company pays remuneration to TMI Associates based on the legal advisory agreement, but the total amount of the remuneration for the current consolidated fiscal year is small, less than 1.0% of the total selling, general and administrative expenses, and therefore not material. There are no other personal, capital, business, or other interests between the Company and each Outside Director and Outside Audit and Supervisory Committee member.

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

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

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

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

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

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

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

(3) Status of audit

1) Status of audit by the Audit and Supervisory Committee

With the approval of the 37th Annual General Meeting of Shareholders held on November 28, 2024, the Company transitioned to a Company with an Audit and Supervisory Committee. The Audit and Supervisory Committee meets once a month in principle and is convened on an ad hoc basis as necessary. For the fiscal year under review, the Audit and Supervisory Committee convened a total of 10 times, while the Board of Auditors convened a total of 4 times prior to the transition to a company with an Audit and Supervisory Committee. The Audit and Supervisory Committee is composed of three Directors who are Audit and Supervisory Committee members, all of whom are Outside Directors.

The attendance of each Audit and Supervisory Committee member at the meetings of Audit and Supervisory Committee and the Board of Directors is as follows. Of the following, Mr. Tetsuya Oi, a part-time Auditor, has considerable knowledge of legal affairs and IT based on his long years of experience as a lawyer. Mr. Tsuguya Ota, also a part-time Auditor, has considerable knowledge of finance and accounting based on his long years of experience as a certified public accountant.

Board of Auditors (before transition to a company with an Audit and Supervisory Committee)

Title and position	Name	Attendance at meetings of the Board of Auditors	Attendance at meetings of the Board of Directors
Full-time Auditor (Outside)	Masatoshi Arimura	4/4 (100%)	4/4 (100%)
Auditor (Outside)	Tetsuya Oi	4/4 (100%)	4/4 (100%)
Auditor (Outside)	Tsuguya Ota	4/4 (100%)	4/4 (100%)

Audit and Supervisory Committee

Title and position	Name	Attendance at meetings of the Audit and Supervisory Committee	Attendance at meetings of the Board of Directors
Full-time Audit and Supervisory Committee Member (Outside)	Masatoshi Arimura	10/10 (100%)	10/10 (100%)
Audit and Supervisory Committee Member (Outside)	Tetsuya Oi	10/10 (100%)	10/10 (100%)
Audit and Supervisory Committee Member (Outside)	Tsuguya Ota	10/10 (100%)	10/10 (100%)

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

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

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

2) Status of internal audits

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

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

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

3) Status of accounting audit

a. Name of auditing firm

Ernst & Young ShinNihon LLC

b. Continuous audit period

22 years

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

c. Certified public accountants

Yoshihisa Shibayama

Kazunori Yoshida

d. Composition of assistants for audit work

4 certified public accountants and 20 others

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

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

f. Evaluation of the auditing firm by the Audit and Supervisory Committee

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

4) Details of audit remuneration, etc.

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

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

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

Classification	Previous consolidated fiscal year		Consolidated fiscal year under review	
	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit services (Millions of yen)	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit services (Millions of yen)
Submitting company	-	-	-	9
Consolidated subsidiary	3	1	3	4
Total	3	1	3	13

Non-audit services at the Company include advisory services, etc. Remuneration for non-audit services of consolidated subsidiaries consist of tax-related services.

c. Details of other important remuneration

Not applicable.

d. Policy for determining audit remuneration

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

e. Reasons for the Audit and Supervisory Committee's consent to the remuneration, etc. of the Accounting Auditor

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

(4) Remuneration, etc. of officers

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

(Policy for determining the contents of individual remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter, the “Directors” in this section)

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

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

a. Basic policy

As a basic policy, remuneration for the Company’s Directors shall be set at an appropriate level in order to ensure transparency and objectivity.

The total amount of remuneration shall be within the limits determined by resolution of the General Meeting of Shareholders.

b. Details of each compensation system

Internal Directors

The remuneration of Internal Directors (Directors who are not Outside Directors, excluding Directors who are Audit and Supervisory Committee members) consists of the following: i. basic remuneration, and ii. performance-linked remuneration (phantom stock).

i. Policy on determination of the amount of individual remuneration within basic remuneration (including policy on determination of the timing of providing remuneration or other conditions)

A fixed remuneration paid monthly, determined according to factors such as the position, responsibilities, and tenure, upon taking into account levels at other companies, the Company’s business results, and levels of employee salaries.

ii. Policy on determination of the amount of individual remuneration within performance-linked remuneration (including policy on determination of the timing of providing remuneration or other conditions)

Monetary compensation in the form of phantom stock, for which the base amount shall be determined at the beginning of each fiscal year. The granted amount shall be determined based on the consolidated operating profit for each fiscal year. The number of phantom stock shall be granted based on the base stock price. On the settlement date two years after the granting, the amount shall be calculated by multiplying the number of phantom stock by the Company’s stock price at the time.

iii. Policy on determination of the ratio of each remuneration type for each individual

The composition ratio of basic remuneration and performance-linked remuneration (phantom stock) shall be determined by considering both single-year performance and the enhancement of long-term corporate value. This approach prioritizes the level and stability of basic remuneration while recognizing the importance of a medium- to long-term management perspective.

Outside Director

The remuneration for Outside Directors (excluding Directors who are Audit and Supervisory Committee members) shall consist solely of a fixed monetary remuneration paid monthly as basic remuneration. This amount shall be determined based on their responsibilities, taking into account levels at other companies, the Company’s business results, and levels of employee salaries.

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

Determination of the specific amount of remuneration for each Director shall be delegated to the President and CEO, based on a resolution of the Board of Directors, following consultation with and recommendation from the voluntary Nomination and Compensation Committee (comprised of the Representative Director and Independent Outside Directors) established by the Board of Directors as an advisory body.

The content of such authority shall be limited to determining the amount of basic remuneration for each Director within the scope of the recommendations made by the voluntary Nomination and Compensation Committee (comprised of the Representative Director and Independent outside directors) established by the Board of Directors as an advisory body.

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

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

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

(Policy for determining the contents of individual remuneration, etc. for Directors who are Audit and Supervisory Committee members)

The amount of remuneration for each Director who is an Audit and Supervisory Committee member is determined through discussions among the Audit and Supervisory Committee members.

(Resolution by the General Meeting of Shareholders)

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

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

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

Classification of officer	Number of eligible officers (persons)	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type of remuneration, etc. (Millions of yen)	
			Fixed remuneration	Performance-linked remuneration
Director (excluding Outside Directors)	2	402	169	233
Outside officers	6	57	57	-

3) Total amount of consolidated remuneration, etc. for each officer (limited to those with total consolidated compensation, etc., of ¥100 million or more)

Name	Total amount of remuneration, etc. (Millions of yen)	Company classification	Total amount of remuneration, etc. by type of remuneration, etc. (Millions of yen)	
			Fixed remuneration	Performance-linked remuneration
Hitoshi Tanaka, Representative Director	269	Submitting company	114	155
Ryo Tanaka, Representative Director	132	Submitting company	55	77

4) Important employee salaries of officers who concurrently serve as employees
Not applicable.

(5) Status of shareholdings

1) Criteria and approaches for classification of investment shares

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

(Investment shares for pure investment purposes)

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

(Investment shares for purposes other than pure investment)

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

2) Investment shares held for purposes other than pure investment

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

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

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

b. Number of issues and amount on the balance sheet

	Number of issues (issues)	Total amount on the balance sheet (Millions of yen)
Unlisted stocks	5	164
Stocks other than unlisted stocks	1	80

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

Not applicable.

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

	Number of issues (issues)	Total sales price for the decrease in the number of shares (Millions of yen)
Unlisted stocks	1	467

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

Specified equity securities

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of the business alliance, etc., quantitative effect of holding, and the reason for the increase in the number of shares	Whether the Company's shares are held
	Number of shares (shares)	Number of shares (shares)		
	Amount on the balance sheet (Millions of yen)	Amount on the balance sheet (Millions of yen)		
Tsubota Laboratory, Inc.	220,000	220,000	Held to stabilize the relationship of joint development.	None
	80	97		

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

Deemed holdings of equity securities

Not applicable.

3) Investment shares held for pure investment purposes

	Current fiscal year		Previous fiscal year	
	Number of issues (issues)	Total amount on the balance sheet (Millions of yen)	Number of issues (issues)	Total amount on the balance sheet (Millions of yen)
Unlisted stocks	3	38	3	98
Other than unlisted stocks	-	-	-	-

	Current fiscal year		
	Total of dividends received (Millions of yen)	Total of gain (loss) on sale (Millions of yen)	Total of valuation gain (loss) (Millions of yen)
Unlisted stocks	-	-	60
Other than unlisted stocks	-	-	-

V. Financial Information

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

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

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

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

2. Audit certification

The Company’s consolidated financial statements for the consolidated fiscal year (from September 1, 2024, to August 31, 2025) and non-consolidated financial statements for the fiscal year (from September 1, 2024 to August 31, 2025) have been audited by Ernst & Young ShinNihon LLC, pursuant to provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

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

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

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

1) Consolidated balance sheets

	(Millions of yen)	
	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Assets		
Current assets		
Cash and deposits	18,673	11,977
Accounts receivable - trade	6,572	7,968
Merchandise and finished goods	4,639	5,838
Raw materials and supplies	424	495
Work in process	43	31
Other	1,900	2,339
Total current assets	32,254	28,650
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,155	22,207
Accumulated depreciation	(10,694)	(11,410)
Buildings and structures, net	9,461	10,796
Machinery, equipment and vehicles	184	159
Accumulated depreciation	(134)	(124)
Machinery, equipment and vehicles, net	50	34
Tools, furniture and fixtures	3,504	3,837
Accumulated depreciation	(2,774)	(2,950)
Tools, furniture and fixtures, net	730	886
Leased assets	3,375	3,057
Accumulated depreciation	(2,871)	(2,641)
Leased assets, net	503	415
Construction in progress	75	284
Other	312	312
Total property, plant and equipment	11,133	12,731
Intangible assets		
Software	1,910	2,415
Software in progress	628	3,261
Other	0	0
Total intangible assets	2,538	5,677
Investments and other assets		
Investment securities	*1 952	*1 1,623
Long-term loans receivable	1,249	1,364
Deferred tax assets	1,394	1,608
Leasehold and guarantee deposits	4,392	5,913
Other	130	297
Total investments and other assets	8,119	10,807
Total non-current assets	21,791	29,216
Total assets	54,045	57,866

(Millions of yen)

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	2,747	3,178
Current portion of convertible bond-type bonds with share acquisition rights	10,005	-
Short-term borrowings	1,909	5,449
Current portion of long-term borrowings	20	10
Lease obligations	225	152
Accounts payable - other, and accrued expenses	6,211	7,905
Income taxes payable	2,051	2,393
Accrued consumption taxes	541	532
Contract liabilities	636	927
Provision for bonuses	429	302
Provision for product warranties	250	322
Allowance for business structure reform expenses	66	43
Other	567	498
Total current liabilities	25,663	21,717
Non-current liabilities		
Long-term borrowings	24	14
Provision for share awards	70	153
Lease obligations	190	103
Asset retirement obligations	1,166	1,321
Long-term accounts payable - other	1,283	2,557
Other provisions	-	233
Other	51	22
Total non-current liabilities	2,787	4,406
Total liabilities	28,451	26,124
Net assets		
Shareholders' equity		
Share capital	3,202	3,202
Capital surplus	3,201	3,201
Retained earnings	22,818	28,996
Treasury stock	(4,041)	(4,033)
Total shareholders' equity	25,180	31,367
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	77	66
Foreign currency translation adjustment	335	308
Total accumulated other comprehensive income	413	375
Total net assets	25,593	31,742
Total liabilities and net assets	54,045	57,866

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

[Consolidated statements of income]

(Millions of yen)

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Net sales	*1 82,999	*1 97,215
Cost of sales	*2 18,554	*2 21,400
Gross profit	64,444	75,814
Selling, general and administrative expenses	*3, *4 56,608	*3, *4 63,720
Operating profit	7,836	12,093
Non-operating income		
Interest income	17	25
Foreign exchange gains	-	123
Subsidy income	32	66
Other	50	45
Total non-operating income	101	260
Non-operating expenses		
Interest expenses	129	155
Share of loss of entities accounted for using equity method	18	-
Foreign exchange losses	31	-
Other	22	77
Total non-operating expenses	202	232
Ordinary profit	7,735	12,121
Extraordinary income		
Gain on sale of investment securities	516	442
Total extraordinary income	516	442
Extraordinary losses		
Loss on retirement of non-current assets	*5 274	*5 282
Impairment loss	*6 648	*6 221
Loss on store closings	*7 36	*7 27
Provision of allowance for business structure reform expenses	*8 61	-
Loss on valuation of investment securities	28	405
Other	0	-
Total extraordinary losses	1,049	936
Profit before income taxes	7,202	11,628
Income taxes – current	2,389	3,515
Income taxes – deferred	141	(217)
Total income taxes	2,530	3,297
Net income	4,671	8,330
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	4,671	8,330

[Consolidated statements of comprehensive income]

	(Millions of yen)	
	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Net income	4,671	8,330
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	(10)
Foreign currency translation adjustment	263	(27)
Share of other comprehensive income of entities accounted for using equity method	(103)	-
Total other comprehensive income	*1 143	*1 (37)
Comprehensive income	4,815	8,292
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,815	8,292
Comprehensive income attributable to non-controlling interests	-	-

3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

(Millions of yen)

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
BALANCE, SEPTEMBER 1, 2024	3,202	3,201	22,818	(4,041)	25,180	77	335	413	25,593
Changes during period									
Dividends of surplus			(2,151)		(2,151)				(2,151)
Profit attributable to owners of parent			8,330		8,330				8,330
Purchase of treasury stock				(0)	(0)				(0)
Change in scope of consolidation					-				-
Change in scope of equity method					-				-
Disposal of treasury stock to stock granting trust					-				-
Acquisition of treasury stock by stock granting trust					-				-
Transfer of loss on disposal of treasury stock					-				-
Disposal of treasury stock by stock granting trust				8	8				8
Net changes in items other than shareholders' equity						(10)	(27)	(37)	(37)
Total changes during period	-	-	6,178	7	6,186	(10)	(27)	(37)	6,148
BALANCE, AUGUST 31, 2024	3,202	3,201	28,996	(4,033)	31,367	66	308	375	31,742

4) Consolidated statements of cash flows

(Millions of yen)

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Cash flows from operating activities:		
Profit before income taxes	7,202	11,628
Depreciation and amortization	2,926	2,946
Impairment loss	648	221
Increase (decrease) in provision for bonuses	344	(126)
Increase (decrease) in provision for share awards	69	102
Increase (decrease) in provision for product warranties	57	72
Increase (decrease) in allowance for business structure reform expenses	61	-
Interest and dividend income	(17)	(25)
Interest expenses	129	155
Foreign exchange losses (gains)	(27)	(54)
Share of loss (gain) of entities accounted for using equity method	18	-
Loss on retirement of non-current assets	274	282
Loss on store closings	36	27
Decrease (increase) in trade receivables	(1,426)	(1,405)
Decrease (increase) in inventories	(325)	(1,338)
Decrease (increase) in other assets	(184)	(527)
Increase (decrease) in trade payables	968	455
Loss (gain) on sale of investment securities	(516)	(442)
Loss (gain) on valuation of investment securities	28	405
Increase (decrease) in accrued consumption taxes	9	(4)
Increase (decrease) in accounts payable - other	653	300
Increase (decrease) in accrued expenses	384	586
Increase (decrease) in other liabilities	891	477
Other	100	56
Subtotal	12,306	13,793
Interest and dividends received	7	39
Interest paid	(133)	(140)
Income taxes paid	(1,260)	(3,158)
Income taxes refund	68	-
Net cash provided by (used in) operating activities	10,989	10,533
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,886)	(2,006)
Purchase of intangible assets	(739)	(3,431)
Purchase of investment securities	(20)	(1,139)
Proceeds from sale of investment securities	525	467
Loan advances	(77)	(192)
Collection of loans receivable	85	88
Payments of leasehold and guarantee deposits	(427)	(1,831)
Proceeds from refund of leasehold and guarantee deposits	154	179
Net cash provided by (used in) investing activities	(2,385)	(7,864)

	(Millions of yen)	
	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(167)	3,697
Repayments of long-term borrowings	(41)	(27)
Payments from redemption of convertible bond-type bonds with share acquisition rights	-	(10,000)
Repayments of installment payables	(746)	(696)
Repayments of lease obligations	(323)	(249)
Purchase of treasury stock	(1,383)	(0)
Proceeds from sale of treasury stock	1,383	-
Dividends paid	(1,055)	(2,149)
Net cash provided by (used in) financing activities	(2,335)	(9,425)
Effect of exchange rate changes on cash and cash equivalents	108	60
Net increase (decrease) in cash and cash equivalents	6,377	(6,695)
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 the end of period	*1 18,673	*1 11,977

[Notes]

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries 9

Name of consolidated subsidiaries

JINS Inc.

Yamato Technical Co., Ltd.

JINS SHANGHAI CO., LTD.

JINS US Holdings, Inc.

JINS Eyewear US, Inc.

JINS CAYMAN Limited

JINS ASIA HOLDINGS Limited

JINS TAIWAN CO., LTD.

JINS Hong Kong Limited

(2) Name of unconsolidated subsidiaries

JINS norma CO., LTD.

JINS Vietnam Co., Ltd.

JINS Philippines Inc.

(Reason for excluding from the scope of consolidation)

An unconsolidated subsidiary that is a small-scale subsidiary is excluded from the scope of consolidation due to its immateriality in terms of total assets, revenue, profit (loss), and retained earnings in the consolidated financial statements.

2. Equity method accounting

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

None.

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

JINS norma CO., LTD.

JINS Vietnam Co., Ltd.

JINS Philippines Inc.

(Reasons for not accounting for using the equity method)

The unconsolidated subsidiary not accounted for using the equity method is excluded from the scope of application of the equity method due to its minor influence in terms of both profit (loss) and retained earnings on the consolidated financial statements even if it is excluded from the scope, and its immateriality as a whole.

3. Fiscal year-ends of consolidated subsidiaries

The Company's consolidated subsidiaries whose fiscal year-ends differ from the consolidated fiscal year-end are as follows.

<u>Company name</u>	<u>Fiscal year-end</u>	
JINS SHANGHAI CO., LTD.	December 31	(Note 1)
JINS US Holdings, Inc.	June 30	(Note 2)
JINS Eyewear US, Inc.	June 30	(Note 2)
JINS CAYMAN Limited	December 31	(Note 1)
JINS ASIA HOLDINGS Limited	December 31	(Note 1)
JINS TAIWAN CO., LTD.	June 30	(Note 2)
JINS Hong Kong Limited	December 31	(Note 1)

(Notes) 1. These consolidated subsidiaries are consolidated using provisional financial statements prepared as of June 30 according to the full-year settlement, and necessary adjustments are made to their financial statements to reflect any significant transactions that occurred from July 1 to August 31.

2. These consolidated subsidiaries are consolidated using their financial statements as of their respective fiscal year-ends, and necessary adjustments are made to their financial statements to reflect any significant transactions that occurred from July 1 to August 31.

4. Accounting policies

(1) Basis and method of valuation of important assets

1) Securities

Available-for-sale securities

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

Securities other than shares, etc., that do not have a market price are measured at fair value based on the market price, etc., as of the fiscal year-end.

(Any valuation differences are directly charged or credited to net assets and cost of securities sold is calculated by the moving average method.)

Shares, etc., that do not have a market price

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

2) Inventories

Inventories of the Company and its consolidated subsidiaries are stated at cost determined principally by the first-in first-out method (the balance sheet values are measured with the method of devaluing book value based on declining profitability).

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

1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are depreciated principally using the straight line method.

The declining-balance method is used for tools, furniture and fixtures.

The range of useful lives is as follows:

Buildings	5 years to 50 years
Structures	10 years to 20 years
Tools, furniture and fixtures	2 to 15 years

2) Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight-line method.

Software for internal use is amortized using the straight-line method over the expected useful life in the Company (mainly five years).

3) Leased assets

Leased assets are amortized principally using the straight-line method based on the assumption that the useful lives are equivalent to the lease terms and the residual value is zero.

(3) Basis for recording important provisions

1) Provision for bonuses

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

2) Provision for product warranties

To provide for the occurrence of replacement costs related to the warranty period of the products sold, provision for product warranties is recorded at an amount projected to be incurred in the future, based on the past warranty replacement results.

3) Provision for share awards

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

4) Allowance for business structure reform expenses

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

5) Other provisions

Provision for bonuses is recorded at an estimated amount attributable to the consolidated fiscal year to provide for future payments of performance-linked remuneration to Directors.

(4) Basis for recording important revenue and expenses

The main business of the Group is eyewear retailing. In the sales of a product, a customer obtains control over the product when the product is delivered to the customer, and our performance obligations are satisfied. We therefore recognize revenue when the product is delivered to a customer.

Revenue is measured at an amount of consideration promised in the contract with a customer, less the amount of returns, discounts, and other. Amounts equivalent to points granted to customers in accordance with the sale of products based on points programs operated by other companies are subtracted in the calculation of the transaction price and revenue is recognized in net amount, deeming that the points are collected on behalf of third parties.

(5) Basis for converting important foreign currency-denominated assets and liabilities into Japanese yen

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate as of the balance sheet date. The foreign exchange gains and losses from such translation are recognized in the consolidated statements of income. Assets and liabilities mainly of foreign subsidiaries are translated into Japanese yen at the spot exchange rate as of the balance sheet date, and all revenue and expense accounts are translated into Japanese yen at the average exchange rate for the year. Differences arising from such translation are shown as "foreign currency translation adjustment" under net assets.

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

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

(7) Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System

The Company and its domestic consolidated subsidiaries apply the group tax sharing system. The Company has applied the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solution No. 42, August 12, 2021) to the accounting for income tax and local income tax or tax effect accounting relating thereto.

(Significant accounting estimates)

1. Recoverability of deferred tax assets

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

(Millions of yen)

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Deferred tax assets	1,394	1,608

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

Deferred tax assets are recorded to the extent that the future tax payment is reduced for deductible temporary differences and tax loss carryforwards as of the end of the fiscal year ended August 31, 2025, based on classification of companies under the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26) and “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No. 42.)

For recording deferred tax assets, the Company estimates taxable income before adjusting temporary differences based on business plans. Also, the Company uses business plans for calculating estimated taxable income and the key assumption in the business plan includes revenue growth rates. Revenue growth rates are determined based on historical performance at each store and in consideration of the market environment and industry trends.

The Group judges the key assumption in business plans that is the basis for estimating taxable income to be the best estimates based on available information.

2. Impairment loss of non-current assets

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

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

(Millions of yen)

	Domestic eyewear business	Overseas eyewear business	Total
Property, plant and equipment	9,267	1,542	10,809
Intangible assets	573	320	893
Impairment loss	190	457	648

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

(Millions of yen)

	Domestic eyewear business	Overseas eyewear business	Total
Property, plant and equipment	10,399	2,015	12,415
Intangible assets	492	191	684
Impairment loss	128	92	221

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

In recognizing impairment loss, the Group groups its assets using operating stores and other minimum largely independent cash-generating units as the basic unit, and groups the head office and other offices as corporate assets. For stores showing signs of impairment, the book value and recoverable amounts are compared.

When determining that an impairment loss be recognized, the Group records an impairment loss by writing down the book value to the recoverable amounts. The recoverable amounts of these assets are measured at their net selling prices. The net selling price is assessed at zero if the asset is deemed to have no substantive value based on their disposability.

The key assumption in future business plans of the stores includes revenue growth rates. Revenue growth rates are determined based on historical performance at each store and in consideration of the market environment and industry trends.

The Group judges the key assumption used for calculating future cash flows to be the best estimates based on available information.

(Changes in accounting policies)

Application of “Accounting Standard for Current Income Taxes”

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, hereinafter, the “2022 Revised Accounting Standards”) has been applied from the beginning of the consolidated fiscal year under review. The revision of the accounting classification for income taxes (taxation on other comprehensive income) follows the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth 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, hereinafter, the “2022 Revised Application Guidelines”). This change in accounting policy has no impact on the consolidated financial statements.

Additionally, with respect to the revision of the treatment in consolidated financial statements of deferred tax gain or loss arising from the sale of shares of subsidiaries between consolidated companies, the 2022 Revised Application Guidelines have been applied from the beginning of the fiscal year under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been restated accordingly. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Accounting standard not applied)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan), etc.

1. Outline

As part of efforts to make Japanese GAAP internationally consistent, the Accounting Standards Board of Japan (ASBJ) conducted discussions based on international accounting standards toward developing a lease accounting standard that recognizes assets and liabilities for all leases by the lessee. As a basic policy, ASBJ published lease accounting standards based on the single accounting model of IFRS 16, but with the aim of making it simple and convenient by adopting only major provisions rather than all provisions of IFRS 16, and making it basically unnecessary to revise the provisions of IFRS 16 for non-consolidated financial statements.

As for the lessee’s accounting treatment, a single accounting model is applied to the lessee’s method of allocating expenses for all leases, regardless of whether the lease is a finance lease or an operating lease, in which depreciation on right-of-use assets and the equivalent amount of interest on the lease liability are recorded, consistent with IFRS 16.

2. Expected date of application

Scheduled to be applied from the beginning of the fiscal year ending August 2028.

3. Impact of applying the relevant accounting standard, etc.

The impact on the consolidated financial statements resulting from the application of the “Accounting Standard for Leases” is currently being evaluated.

(Changes in presentation method)

(Consolidated balance sheets)

“Software” and “Software in progress” which were included in “Other” under “Intangible assets” in the previous consolidated fiscal year, have been presented separately from the consolidated fiscal year under review due to their increased monetary importance. To reflect this change in presentation method, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, the ¥2,538 million previously presented under “Other” under “Intangible assets” on the consolidated balance sheet for the previous fiscal year has been reclassified as ¥1,910 million under “Software,” ¥628 million under “Software in progress,” and ¥0 million under “Other.”

“Long-term accounts payable - other” which was included in “Other” under “Non-current liabilities” in the previous consolidated fiscal year, has been presented separately from the consolidated fiscal year under review due to its increased monetary importance. To reflect this change in presentation method, the consolidated financial statements for the previous fiscal

year have been reclassified. As a result, the ¥1,335 million previously presented under “Other” under “Non-current liabilities” on the consolidated balance sheet for the previous fiscal year has been reclassified as ¥1,283 million under “Long-term accounts payable - other” and ¥51 million under “Other.”

(Consolidated statements of cash flows)

“Loss (gain) on valuation of investment securities” which was included in “Other” under “Cash flows from operating activities” in the previous consolidated fiscal year, has been presented separately from the consolidated fiscal year under review due to its increased monetary importance. To reflect this change in presentation method, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, the ¥128 million previously presented under “Other” under “Cash flows from operating activities” on the consolidated statements of cash flows for the previous fiscal year has been reclassified as ¥28 million under “Loss (gain) on valuation of investment securities” and ¥100 million under “Other.”

(Additional information)

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

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

1. Outline of the transactions

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

2. Shares of the Company remaining in the Trust

Shares of the Company remaining in the Trust are recorded as treasury stock under the net assets at the book value in the Trust (excluding the amount of incidental expenses). The book value and number of treasury shares are ¥1,374 million and 298,238 shares in the consolidated fiscal year under review and ¥1,383 million and 300,000 shares in the previous consolidated fiscal year.

(Consolidated balance sheet)

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

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Investment securities (equity securities)	¥90 million	¥1,219 million

2. Liability on guarantees

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

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

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
	¥227 million	¥227 million

3. Overdraft agreements

The Group entered into overdraft agreements with five counterparty banks to efficiently procure working capital.

The outstanding borrowings and the unused balances under these agreements as of August 31, 2024 and 2025 were as follows.

(1) Yen-denominated transactions

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Total amount of overdraft limit	¥10,800 million	¥10,800 million
Outstanding borrowings	-	¥4,000 million
Unused balance	¥10,800 million	¥6,800 million

(2) Foreign currency-denominated transactions

Chinese Yuan

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Total amount of overdraft limit	¥2,448 million (CH¥120 million)	¥2,475 million (CH¥120 million)
Outstanding borrowings	¥1,444 million (CH¥70 million)	¥1,068 million (CH¥51 million)
Unused balance	¥1,004 million (CH¥49 million)	¥1,406 million (CH¥68 million)

HK Dollar

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Total amount of overdraft limit	¥278 million (HKD 15 million)	¥282 million (HKD 15 million)
Outstanding borrowings	¥204 million (HKD 11 million)	¥245 million (HKD 13 million)
Unused balance	¥74 million (HKD 4 million)	¥37 million (HKD 2 million)

New Taiwan Dollar

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Total amount of overdraft limit	¥59 million (NTD 13 million)	¥62 million (NTD 13 million)
Outstanding borrowings	- (NTD -)	- (NTD -)
Unused balance	¥59 million (NTD 13 million)	¥62 million (NTD 13 million)

4. Commitment agreements

Loan commitment agreements

On August 26, 2022, the Company entered into loan commitment agreements with counterparty banks to flexibly and stably procure working capital and funding for capital investments mainly for new store openings.

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Total amount of loan commitments	¥8,000 million	¥8,000 million
Available amount at the year-end	¥4,000 million	¥4,000 million
Outstanding borrowings	-	-
Unused balance	¥4,000 million	¥4,000 million

5. Financial covenants

Previous consolidated fiscal year (August 31, 2024)

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

Loan commitment agreements entered into on August 26, 2022

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

Financial covenants on the loan commitment agreements above

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

Consolidated fiscal year under review (August 31, 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.

Loan commitment agreements entered into on August 26, 2022

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

Financial covenants on the loan commitment agreements above

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

(Consolidated statements of income)

*1. Revenue from contracts with customers

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

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

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
	¥671million	¥995million

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

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Salaries and allowances	¥16,124 million	¥17,546 million
Provision for share awards	¥69 million	¥102 million
Bonus allowances	¥824 million	¥805 million
Rent expenses on land and buildings	¥13,137 million	¥14,464 million
Advertising expenses	¥3,354 million	¥4,382 million
Depreciation and amortization	¥2,896 million	¥2,924 million

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

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
	¥124 million	¥57 million

*5. Loss on retirement of non-current assets

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Buildings and structures	¥55 million	¥150 million
Tools, furniture and fixtures	¥12 million	¥11 million
Software	¥94 million	¥10 million
Demolition and removal expenses, etc.	¥111 million	¥109 million
Total	¥274 million	¥282 million

*6. Impairment loss

The Group recorded an impairment loss as follows.

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

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

The Group groups its assets using stores and other minimum cash-generating units as the basic unit, and groups the head office and other offices as corporate assets.

The Group wrote down the book value of stores showing signs of a decline in profitability or deciding to close to their recoverable amounts and recorded the reductions as impairment loss in extraordinary losses. The recoverable amounts of these assets were measured at the value in use or their net selling prices whichever is higher. The applied discount rate when calculating the value in use is 3.8%.

The details of impairment loss were as follows.

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

Usage	Type of asset	Location	Impairment loss (Millions of yen)
Business assets	Furniture, fixtures and others	Japan	22
Store	Buildings and other assets	Japan	106
Store	Buildings and other assets	China	48
Store	Buildings and other assets	Hong Kong	0
Store	Buildings and other assets	Taiwan	11
Store	Furniture, fixtures and others	United States	32
Total			221

The Group groups its assets using stores and other minimum cash-generating units as the basic unit, and groups the head office and other offices as corporate assets.

The Group wrote down the book value of stores showing signs of a decline in profitability or deciding to close to their recoverable amounts and recorded the reductions as an impairment loss (¥221 million) in extraordinary losses. The recoverable amounts of these assets are measured at their net selling prices. The net selling price is assessed at zero if the asset is deemed to have no substantive value based on their disposability.

The details of impairment loss were as follows.

Buildings and structures	¥143 million
Other	¥77 million
Total	¥221 million

*7. Loss on store closings

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

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Loss on retirement of non-current assets	¥24 million	¥26 million
Demolition and removal expenses, etc.	¥12 million	¥1 million
Total	¥36 million	¥27 million

*8. Provision of allowance for business structure reform expenses

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

Not applicable.

(Consolidated statements of comprehensive income)

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

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Valuation difference on available-for-sale securities:		
Gains (losses) arising during the year	¥492 million	¥427 million
Reclassification adjustments	¥(515 million)	¥(442 million)
Before income taxes and tax effect adjustment	¥(23 million)	¥(15 million)
Income taxes and tax effect adjustment	¥7 million	¥5 million
Valuation difference on available-for-sale securities	¥(16 million)	¥(10 million)
Foreign currency translation adjustment:		
Gains (losses) arising during the year	¥263 million	¥(27 million)
Share of other comprehensive income of entities accounted for using equity method:		
Gains (losses) arising during the year	¥0 million	-
Reclassification adjustments	¥(103 million)	-
Share of other comprehensive income of entities accounted for using equity method	¥(103 million)	-
Total other comprehensive income	¥143 million	¥(37 million)

(Consolidated statements of changes in net assets)

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

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

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

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

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

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

2. Information on dividends

(1) Dividends paid

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on November 29, 2023	Share capital	583	25.00	August 31, 2023	November 30, 2023
Board of Directors meeting held on April 12, 2024	Share capital	472	20.00	February 29, 2024	May 10, 2024

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

(2) Dividends with effective dates falling after the end of the year

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

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

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

Class of shares	September 1, 2024	Increase	Decrease	August 31, 2025
Shares issued: Share capital (shares)	23,980,000	-	-	23,980,000
Treasury stock Share capital (shares)	640,064	77	1,762	638,379

(Notes) 1. The 298,238 shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the “Stock Benefit Trust (J-ESOP)” are included in the treasury stock of share capital as of the end of the consolidated fiscal year under review.

2. The increase of 77 shares in treasury stock of share capital was due to the purchase of fractional shares.

3. The decrease of 1,762 shares in treasury stock of share capital was due to the disposal of treasury stock by the “Stock Benefit Trust (J-ESOP).”

2. Information on dividends

(1) Dividends paid

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on November 28, 2024	Share capital	969	41.00	August 31, 2024	November 29, 2024
Board of Directors meeting held on April 11, 2025	Share capital	1,181	50.00	February 28, 2025	May 9, 2025

(Notes) 1. The ¥12 million of dividends on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" is included in the total amount of dividends determined by a resolution on November 28, 2024.

2. The ¥14 million of dividends on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" is included in the total amount of dividends determined by a resolution on April 11, 2025.

(2) Dividends with effective dates falling after the end of the year

Resolution	Class of shares	Source of dividends	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on November 27, 2025	Share capital	Retained earnings	1,394	59.00	August 31, 2025	November 28, 2025

(Note) The ¥17 million of dividends on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets under the "Stock Benefit Trust (J-ESOP)" is included in the total amount of dividends to be determined by a resolution on November 27, 2025.

(Consolidated statements of cash flows)

*1. Reconciliation of cash and cash equivalents in the consolidated statements of cash flows and cash and deposits in the consolidated balance sheets as of August 31, 2024 and 2025 was as follows.

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Cash and deposits	¥18,673 million	¥11,977 million
Time deposits with maturities over three months, etc.	-	-
Cash and cash equivalents	¥18,673 million	¥11,977 million

(Leases)

1. Finance leases

(Lessee contracts)

Finance leases without transfer of ownership

1) Details of leased assets

- Property, plant and equipment

The Group primarily leases lens edging machines, etc.

- Intangible assets

The Group primarily leases software.

2) Method of depreciation for leased assets

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

2. Operating leases

(Lessee contracts)

Future minimum lease payments under non-cancelable operating leases:

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Due within one year	¥3,125 million	¥4,544 million
Due over one year	¥2,055 million	¥8,430 million
Total	¥5,181 million	¥12,974 million

(Financial instruments)

1. Status of financial instruments

(1) Group policy for financial instruments

The Group carries out fund management by investing in highly secure financial assets such as deposits, and in principle, raises required funds primarily through equity capital based on its capital investment plan. In addition, the Group uses bank loans and lease contracts as necessary.

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

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

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

Leasehold and guarantee deposits based on lease agreements for stores, etc., are exposed to counterparty credit risk. The Company manages this risk by having the Finance Department monitor the financial position of major counterparties based on the Company's credit management rules and confirming the balances of each counterparty. The Company also hedges the risk of some leasehold and guarantee deposits by using trade credit insurance.

Payment terms of almost all accounts payable—trade, accounts payable—other, and accrued expenses are within two months.

Income taxes payable are unpaid corporate taxes, local inhabitant taxes and enterprise taxes, almost all of which are due within three months.

Borrowings, lease obligations, and long-term accounts payable (installment obligations) are incurred for raising funds needed as working capital and capital investments.

(3) Supplementary explanation about fair value of financial instruments

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

2. Fair value of financial instruments

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

Previous consolidated fiscal year (August 31, 2024)

	Book value (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities			
Available-for-sale securities	97	97	-
(2) Leasehold and guarantee deposits (Note 2)	3,337	3,103	(233)
Total	3,434	3,200	(233)
(1) Convertible bond-type bonds with share acquisition rights	10,005	9,913	(91)
(2) Long-term borrowings	45	46	0
(3) Lease obligations	415	425	9
Total	10,466	10,384	(81)

(Notes) 1. “Cash and deposits,” “Accounts receivable - trade,” “Accounts payable - trade,” “Short-term borrowings,” “Accounts payable - other, and accrued expenses,” and “Income taxes payable” are omitted, because they comprise cash and short-term instruments whose carrying amount approximates their fair value.

2. The differences between the amounts of leasehold and guarantee deposits recorded in the consolidated balance sheets and the book value above are unamortized balances of the amounts recognized to be ultimately irrecoverable, namely, estimated restoration costs for leased buildings, at the end of the year.

3. Shares, etc., that do not have a market price are not included in “Available-for-sale securities.” The amount of such financial instruments recorded in the consolidated balance sheet is as follows.

Classification	Previous consolidated fiscal year (Millions of yen)
Unlisted stocks, etc.	855

Consolidated fiscal year under review (August 31, 2025)

	Book value (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Investment securities			
Available-for-sale securities	80	80	-
(2) Leasehold and guarantee deposits (Note 2)	4,839	4,132	(707)
Total	4,919	4,212	(707)
(1) Long-term borrowings (Note 3)	24	24	(0)
(2) Lease obligations (Note 3)	256	269	12
(3) Long-term accounts payable (installment obligations) (Note 3)	3,265	3,114	(151)
Total	3,546	3,408	(138)

(Notes) 1. “Cash and deposits,” “Accounts receivable - trade,” “Accounts payable - trade,” “Short-term borrowings,” “Accounts payable - other, and accrued expenses,” and “Income taxes payable” are omitted, because they comprise cash and short-term instruments whose carrying amount approximates their fair value.

2. The differences between the amounts of leasehold and guarantee deposits recorded in the consolidated balance sheets and the book value above are unamortized balances of the amounts recognized to be ultimately irrecoverable, namely, estimated restoration costs for leased buildings, at the end of the year.

3. Includes current portions of long-term borrowings, lease obligations, and long-term accounts payable (installment obligations).

4. Shares, etc., that do not have a market price are not included in “Available-for-sale securities.” The amount of such financial instruments recorded in the consolidated balance sheet is as follows.

Classification	Consolidated fiscal year under review (Millions of yen)
Unlisted stocks, etc.	1,543

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

Previous consolidated fiscal year (August 31, 2024)

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

Consolidated fiscal year under review (August 31, 2025)

	Due in one year or less (Millions of yen)	Due after one year through five years (Millions of yen)	Due after five years through 10 years (Millions of yen)	Due after 10 years (Millions of yen)
Deposits	11,781	-	-	-
Accounts receivable - trade	7,968	-	-	-
Leasehold and guarantee deposits	1,977	508	1,389	964
Total	21,726	508	1,389	964

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

Previous consolidated fiscal year (August 31, 2024)

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

Consolidated fiscal year under review (August 31, 2025)

	Due in one year or less (Millions of yen)	Due after one year through two years (Millions of yen)	Due after two years through three years (Millions of yen)	Due after three years through four years (Millions of yen)	Due after four years through five years (Millions of yen)	Due after five years (Millions of yen)
Short-term borrowings	5,449	-	-	-	-	-
Long-term borrowings	10	5	2	2	0	3
Lease obligations	152	55	32	6	5	3
Long-term accounts payable (installment obligations)	717	622	529	459	423	512
Total	6,330	683	564	468	429	519

5. Fair value information by category within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

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

Previous consolidated fiscal year (August 31, 2024)

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

Consolidated fiscal year under review (August 31, 2025)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	80	-	-	80
Total	80	-	-	80

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

Previous consolidated fiscal year (August 31, 2024)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Leasehold and guarantee deposits	-	3,103	-	3,103
Total assets	-	3,103	-	3,103
Convertible bond-type bonds with share acquisition rights	-	9,913	-	9,913
Long-term borrowings	-	46	-	46
Lease obligations	-	425	-	425
Total	-	10,384	-	10,384

Consolidated fiscal year under review (August 31, 2025)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Leasehold and guarantee deposits	-	4,132	-	4,132
Total assets	-	4,132	-	4,132
Long-term borrowings	-	24	-	24
Lease obligations	-	269	-	269
Long-term accounts payable (installment obligations)	-	3,114	-	3,114
Total	-	3,408	-	3,408

(Note) A description of the valuation technique(s) and inputs used in the fair value measurements

Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Leasehold and guarantee deposits

Leasehold and guarantee deposits are stated at present value calculated by discounting future cash flows using interest rates derived by adding credit spreads to yields of government bonds, for each specified period, and their fair value is classified as Level 2.

Convertible bond-type bonds with share acquisition rights

Convertible bond-type bonds with share acquisition rights are stated based on market prices, but as they are not traded in active markets, their fair value is classified as Level 2.

Long-term borrowings (including current portion), lease obligations (including current portion), and long-term accounts payable (installment obligations)

Fair value of long-term borrowings, lease obligations, and installment transactions are calculated by discounting the total amount of principal and interests using expected interest rates if the similar new borrowings, lease transactions, or installment transactions took place at present, and their fair value is classified as Level 2.

(Securities)

1. Available-for-sale securities

Previous consolidated fiscal year (August 31, 2024)

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

Consolidated fiscal year under review (August 31, 2025)

	Book value (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose book value exceeds the acquisition cost			
Stocks	80	2	77
Subtotal	80	2	77
Securities whose book value does not exceed the acquisition cost			
Stocks	-	-	-
Subtotal	-	-	-
Total	80	2	77

2. Other securities sold during the consolidated fiscal year

Previous consolidated fiscal year (August 31, 2024)

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

Consolidated fiscal year under review (August 31, 2025)

	Amount sold (Millions of yen)	Total of gain on sale (Millions of yen)	Total of loss on sale (Millions of yen)
Stocks	467	442	-
Total	467	442	-

3. Securities for which impairment losses have been recognized

During the previous consolidated fiscal year, the Company recorded an impairment loss of ¥28 million on securities (¥28 million on available-for-sale securities).

During the consolidated fiscal year under review, the Company recorded an impairment loss of ¥405 million on securities (¥405 million on available-for-sale securities).

(Derivatives)

Not applicable.

(Employees' severance and retirement benefits)

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

1. Outline of employees' severance and retirement benefits

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

2. Retirement benefit expenses

Amounts paid to defined contribution plans	¥34 million
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Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

1. Outline of employees' severance and retirement benefits

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

2. Retirement benefit expenses

Amounts paid to defined contribution plans	¥35 million
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(Stock options)

Not applicable.

(Tax effect accounting)

1. The significant components of deferred tax assets and liabilities

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Deferred tax assets		
Tax loss carryforwards (Note 2)	¥2,816 million	¥2,837 million
Accrued enterprise taxes, not deducted	¥125 million	¥174 million
Loss on valuation of inventories, not deducted	¥280 million	¥333 million
Impairment loss	¥366 million	¥296 million
Asset retirement obligations	¥639 million	¥735 million
Loss on valuation of investment securities	¥24 million	¥316 million
Other	¥379 million	¥507 million
Subtotal	¥4,632 million	¥5,202 million
Valuation allowance for tax loss carryforwards (Note 1)	¥(2,395 million)	¥(2,462 million)
Valuation allowance for deductible temporary differences	¥(353 million)	¥(586 million)
Valuation allowance subtotal (Note 1)	¥(2,748 million)	¥(3,049 million)
Total deferred tax assets	¥1,884 million	¥2,152 million
Deferred tax liabilities		
Asset retirement obligations	¥(239 million)	¥(258 million)
Valuation difference on available-for-sale securities	¥(17 million)	¥(12 million)
Other	¥(232 million)	¥(272 million)
Total deferred tax liabilities	¥(490 million)	¥(543 million)
Net deferred tax assets	¥1,394 million	¥1,608 million

(Changes in presentation method)

“Loss on valuation of investment securities” which was included in “Other” under “Deferred tax assets” in the previous consolidated fiscal year, has been presented separately from the consolidated fiscal year under review due to its increased importance. To reflect this change in presentation method, the notes to the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the ¥404 million previously presented under “Other” under “Deferred tax assets” in the previous fiscal year has been reclassified as ¥24 million under “Loss on valuation of investment securities” and ¥379 million under “Other.”

(Notes) 1. Valuation allowance increased by ¥301 million. The main reason for this increase was increases in valuation allowance related to losses on valuation of investment securities and tax loss carryforwards.

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

Previous consolidated fiscal year (August 31, 2024)

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

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

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

Consolidated fiscal year under review (August 31, 2025)

Category	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carryforwards (a)	-	148	-	154	97	2,436	¥2,837 million
Valuation allowance	-	(148)	-	(154)	-	(2,159)	¥(2,462 million)
Deferred tax assets	-	-	-	-	97	277	(b) ¥374 million

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

(b) Deferred tax assets of ¥374 million were recorded on tax loss carryforwards of ¥2,837 million (amount multiplied by the statutory tax rate). This is because they are expected to be recoverable based on the estimated future taxable income.

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

	Previous consolidated fiscal year (August 31, 2024)	Consolidated fiscal year under review (August 31, 2025)
Statutory tax rate	30.62%	30.62%
(Reconciliation)		
Inhabitant tax on per capita basis	1.02%	0.65%
Tax credit	(3.80)%	(3.71)%
Valuation allowance	9.02%	2.59%
Other	(1.73)%	(1.79)%
Effective tax rate after tax effect	35.13%	28.36%

3. Adjustments to deferred tax assets and liabilities due to changes in income tax rates

The “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025. Consequently, taxation under the “Special Defense Corporate Tax” will commence for the consolidated fiscal years beginning on or after April 1, 2026.

As a result, the statutory tax rate for deferred tax assets and liabilities related to temporary differences that are expected to be reversed in and after the consolidated fiscal year beginning September 1, 2026, has been changed from 30.6% to 31.5%.

The impact of this tax rate change is minimal.

4. Accounting for income tax and local income tax or tax effect accounting relating thereto

The Company and its domestic consolidated subsidiaries have applied the group tax sharing system and the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No. 42, August 12, 2021) to the accounting for income tax and local income tax or tax effect accounting relating thereto.

(Asset retirement obligations)

Asset retirement obligations which are recorded in the consolidated balance sheets

(1) Outline of asset retirement obligations

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

(2) Calculation method of asset retirement obligations

The Group calculates the present value of asset retirement obligations by discounting them over the estimated usage period primarily of 20 years since acquisition mainly using the yields of the corresponding government bonds.

(3) Changes in asset retirement obligations

	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Balance at the beginning of the year	¥1,070 million	¥1,166 million
Increase due to acquisition of property, plant and equipment, etc.	¥100 million	¥173 million
Unwinding of discounts	¥12 million	¥13 million
Decrease due to settlement of asset retirement obligations	¥(15 million)	¥(32 million)
Balance at the end of the year	¥1,166 million	¥1,321 million

(Real estate for rent)

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

Omitted due to immateriality.

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

Omitted due to immateriality.

(Notes on revenue recognition)

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

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

2. Useful information in understanding revenue from contracts with customers

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

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

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

(1) Balance of contract liabilities, etc.

(Millions of yen)

	Consolidated fiscal year under review
Contract liabilities (beginning balance)	514
Contract liabilities (ending balance)	636

Contract liabilities are mainly related to advances received from customers based on the payment terms of sales contracts for eyewear and other products for which revenue is recognized at the time of delivery to customers. Contract liabilities are reversed upon recognition of revenue.

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

(2) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient and omits notes to the remaining performance obligations as there is no significant transaction whose contracts are with an expected duration of over one year.

Consideration promised in contracts with customers does not have any significant amounts of consideration not included in the transaction price.

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

(1) Balance of contract liabilities, etc.

(Millions of yen)

	Consolidated fiscal year under review
Contract liabilities (beginning balance)	636
Contract liabilities (ending balance)	927

Contract liabilities are mainly related to advances received from customers based on the payment terms of sales contracts for eyewear and other products for which revenue is recognized at the time of delivery to customers. Contract liabilities are reversed upon recognition of revenue.

Revenue recognized in the consolidated fiscal year under review that was included in the contract liability balance at the beginning of the fiscal year was ¥636 million.

(2) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient and omits notes to the remaining performance obligations as there is no significant transaction whose contracts are with an expected duration of over one year.

Consideration promised in contracts with customers does not have any significant amounts of consideration not included in the transaction price.

(Segment information, etc.)

[Segment information]

1. General information of reportable segments

(1) Method of classifying reportable segments

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

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

(2) Type of products and services under reportable segments

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

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

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

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

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

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

(Millions of yen)

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

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

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Consolidated (Note 2)
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Net sales					
Revenue from contracts with customers	76,659	20,556	97,215	-	97,215
Sales to outside customers	76,659	20,556	97,215	-	97,215
Intersegment sales or transfers	1,269	91	1,361	(1,361)	-
Total	77,928	20,647	98,576	(1,361)	97,215
Segment profit	11,348	745	12,093	-	12,093
Segment assets	38,275	13,401	51,677	6,189	57,866
Other:					
Depreciation and amortization	2,145	801	2,946	-	2,946
Increase in property, plant and equipment and intangible assets	6,592	1,273	7,866	-	7,866

(Notes) 1. Adjustments of segment assets of ¥6,189 million mainly includes elimination of investments and capital of ¥(5,120) million, elimination of intercompany receivables and payables of ¥(7,073) million, adjustments to allowance for doubtful accounts of ¥1,309 million, and corporate assets that are not attributable to any reportable segments of ¥17,357 million.

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

[Related information]

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

1. Information by product and service

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

2. Information by geographical area

(1) Net sales

(Millions of yen)

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

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

(2) Property, plant and equipment

(Millions of yen)

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

3. Information by major customer

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

1. Information by product and service

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

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	China	Other	Total
76,659	9,368	11,187	97,215

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

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
10,715	880	1,135	12,731

3. Information by major customer

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

[Information about impairment loss by reportable segment]

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

(Millions of yen)

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

(Millions of yen)

	Reportable segment			Corporate/ Elimination	Total
	Domestic eyewear business	Overseas eyewear business	Subtotal		
Impairment loss	128	92	221	-	221

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

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

Not applicable.

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

Not applicable.

[Information about gain on negative goodwill by reportable segment]

Not applicable.

[Related party transactions]

Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)

(1) Transactions between the company submitting consolidated financial statements and related parties

Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements

Type	Name of the company	Location	Share capital or contributed capital (Millions of yen)	Description of business	Ratio of voting rights (held) (%)	Relations with related party transactions	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at the end of the year (Millions of yen)
Company in which the majority of voting rights are held by its officers and their close relatives	MARS G.K. (Note 1)	Chiyoda-ku, Tokyo	1	Real estate leasing	(Held) Directly held 5.08	Lease of office and others	Payment of rent and others (Note 2)	12	Leasehold and guarantee deposits	8
									Prepaid expenses	2

Transaction terms and policy for determining such terms

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

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

Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)

(1) Transactions between the company submitting consolidated financial statements and related parties

Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements

Type	Name of the company	Location	Share capital or contributed capital (Millions of yen)	Description of business	Ratio of voting rights (held) (%)	Relations with related party transactions	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at the end of the year (Millions of yen)
Company in which the majority of voting rights are held by its officers and their close relatives	MARS G.K. (Note 1)	Chiyoda-ku, Tokyo	1	Real estate leasing	(Held) Directly held 5.08	Lease of office and others	Payment of rent and others (Note 2)	28	Leasehold and guarantee deposits	8
									Prepaid expenses	2

Transaction terms and policy for determining such terms

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

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

(Per Share Information)

Items	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Net assets per share	¥1,096.57	¥1,359.91
Basic earnings per share	¥200.17	¥356.89
Diluted earnings per share	¥190.97	-

(Notes) 1. In calculating net assets per share, the Company's shares remaining in the "Stock Benefit Trust (J-ESOP)" and recorded as treasury stock under shareholders' equity are included in the treasury stock to be deducted from total number of issued shares at the end of the period. They are also included in the treasury stock to be deducted when calculating average number of shares during the period in calculating basic and diluted earnings per share.

2. Diluted earnings per share for the consolidated fiscal year under review is not stated as there are no dilutive shares outstanding.

3. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

Items	Previous consolidated fiscal year (from September 1, 2023 to August 31, 2024)	Consolidated fiscal year under review (from September 1, 2024 to August 31, 2025)
Basic earnings per share	¥200.17	¥356.89
Profit attributable to owners of parent (Millions of yen)	4,671	8,330
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent related to share capital (Millions of yen)	4,671	8,330
Weighted-average number of shares of share capital outstanding during the year (shares)	23,340,061	23,341,062
Diluted earnings per share	¥190.97	-
Adjustments to profit attributable to owners of parent (Millions of yen)	(6)	-
[of which, interest income (after tax effect)] (Millions of yen)	((6))	-
Increase in number of shares of share capital (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		-

(Subsequent events)

Not applicable.

5) Annexed consolidated detailed schedules

[Annexed consolidated detailed schedule of corporate bonds]

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

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

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

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

2. Annual maturities, excluding current portion, of bonds as of August 31, 2025:

Not applicable.

[Annexed consolidated detailed schedule of borrowings]

Classification	September 1, 2024 (Millions of yen)	August 31, 2025 (Millions of yen)	Average interest rate (%)	Due date
Short-term borrowings	1,909	5,449	1.71	-
Current portion of long-term borrowings	20	10	2.36	-
Current portion of lease obligations	225	152	2.31	-
Current portion of long-term accounts payable (installment obligations)	514	717	1.15	-
Long-term borrowings (excluding current portion)	24	14	1.89	September 2026 to December 2033
Lease obligations (excluding current portion)	190	103	2.74	September 2026 to January 2032
Long-term accounts payable (installment obligations) (excluding current portion)	1,166	2,547	1.05	September 2026 to July 2032
Total	4,051	8,996	-	-

- (Notes) 1. The average interest rates above are calculated using the weighted-average method applicable to the respective year-end balances of short-term and long-term borrowings.
2. Annual maturities, excluding current portion, of long-term borrowings, lease obligations, and long-term accounts payable (installment obligations) as of August 31, 2025 were as follows.

(Millions of yen)

Classification	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	5	2	2	0
Lease obligations	55	32	6	5
Long-term accounts payable - other (Installment obligations)	622	529	459	423

[Annexed consolidated detailed schedule of asset retirement obligations]

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

(2) Other

Semiannual information for the consolidated fiscal year under review

	Interim consolidated accounting period	Consolidated fiscal year under review
Net sales (Millions of yen)	44,832	97,215
Profit before income taxes (Millions of yen)	5,556	11,628
Profit attributable to owners of parent (Millions of yen)	3,785	8,330
Earnings per share (yen)	162.17	356.89

2. Non-consolidated financial statements, etc.

(1) Non-consolidated financial statements

1) Non-consolidated balance sheets

(Millions of yen)

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Assets		
Current assets		
Cash and deposits	6,632	2,111
Prepaid expenses	164	191
Short-term loans receivable from subsidiaries and associates	*1 3,430	*1 3,552
Accounts receivable from subsidiaries and associates - other	*1 466	*1 754
Other	*1 146	*1 375
Allowance for doubtful accounts	(702)	(1,335)
Total current assets	10,138	5,650
Non-current assets		
Property, plant and equipment		
Buildings	282	276
Structures	1	1
Tools, furniture and fixtures	36	34
Construction in progress	3	3
Total property, plant and equipment	324	315
Intangible assets		
Software	1,085	1,786
Software in progress	559	3,206
Total intangible assets	1,644	4,993
Investments and other assets		
Investments in subsidiaries and associates	-	427
Shares of subsidiaries and associates	1,893	2,594
Investment securities	862	404
Leasehold and guarantee deposits	213	226
Long-term loans receivable from subsidiaries and associates	*1 4,909	*1 1,954
Deferred tax assets	739	741
Other	10	6
Total investments and other assets	8,628	6,356
Total non-current assets	10,597	11,666
Total assets	20,735	17,317

(Millions of yen)

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Liabilities		
Current liabilities		
Current portion of convertible bond-type bonds with share acquisition rights	10,005	-
Short-term borrowings	-	4,000
Accounts payable – other	*1 996	*1 1,833
Accrued expenses	93	142
Income taxes payable	19	-
Provision for bonuses	31	26
Other	27	37
Total current liabilities	11,173	6,039
Non-current liabilities		
Long-term accounts payable - other	344	196
Provision for share awards	51	95
Other provisions	-	233
Other	15	36
Total non-current liabilities	410	562
Total liabilities	11,583	6,602
Net assets		
Shareholders' equity		
Share capital	3,202	3,202
Capital surplus		
Legal capital surplus	3,157	3,157
Total capital surplus	3,157	3,157
Retained earnings		
Legal retained earnings	8	8
Other retained earnings		
General reserve	60	60
Retained earnings brought forward	6,687	8,253
Total retained earnings	6,755	8,321
Treasury stock	(4,041)	(4,033)
Total shareholders' equity	9,074	10,647
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	77	66
Total valuation and translation adjustments	77	66
Total net assets	9,152	10,714
Total liabilities and net assets	20,735	17,317

2) Non-consolidated statements of income

(Millions of yen)

	Previous fiscal year (from September 1, 2023 to August 31, 2024)	Fiscal year under review (from September 1, 2024 to August 31, 2025)
Operating revenue	*1 7,139	*1 9,413
Operating expenses	*1, *2 4,073	*1, *2 5,247
Operating profit	3,065	4,165
Non-operating income		
Interest income	*1 128	*1 190
Foreign exchange gains	-	43
Other	*1 4	4
Total non-operating income	133	238
Non-operating expenses		
Interest expenses	5	24
Commission expenses	3	3
Foreign exchange losses	31	-
Provision of allowance for doubtful accounts	702	633
Loss on investments in investment partnerships	7	2
Other	0	3
Total non-operating expenses	750	666
Ordinary profit	2,448	3,738
Extraordinary income		
Gain on sale of investment securities	516	442
Total extraordinary income	516	442
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	28	405
Loss on valuation of shares of subsidiaries and associates	1,619	-
Other	0	-
Total extraordinary losses	1,649	406
Profit before income taxes	1,316	3,774
Income taxes – current	18	55
Income taxes – deferred	84	2
Total income taxes	102	57
Profit	1,214	3,716

3) Non-consolidated statements of changes in net assets

Previous fiscal year (from September 1, 2023 to August 31, 2024)

(Millions of yen)

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

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

Fiscal year under review (from September 1, 2024 to August 31, 2025)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
BALANCE, SEPTEMBER 1, 2024	3,202	3,157	-	3,157
Changes during period				
Dividends of surplus				
Profit				
Purchase of treasury stock				
Disposal of treasury stock to stock granting trust				
Acquisition of treasury stock by stock granting trust				
Transfer of loss on disposal of treasury stock				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
BALANCE, AUGUST 31, 2025	3,202	3,157	-	3,157

	Shareholders' equity						Valuation and translation adjustments		Total net assets
	Retained earnings				Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Legal retained earnings	Other retained earnings		Total retained earnings					
		General reserve	Retained earnings brought forward						
BALANCE, SEPTEMBER 1, 2024	8	60	6,687	6,755	(4,041)	9,074	77	77	9,152
Changes during period									
Dividends of surplus			(2,151)	(2,151)		(2,151)			(2,151)
Profit			3,716	3,716		3,716			3,716
Purchase of treasury stock					(0)	(0)			(0)
Disposal of treasury stock to stock granting trust					8	8			8
Acquisition of treasury stock by stock granting trust						-			-
Transfer of loss on disposal of treasury stock						-			-
Net changes in items other than shareholders' equity							(10)	(10)	(10)
Total changes during period	-	-	1,565	1,565	7	1,573	(10)	(10)	1,562
BALANCE, AUGUST 31, 2025	8	60	8,253	8,321	(4,033)	10,647	66	66	10,714

[Notes]

(Significant accounting policies)

1. Basis and method of valuation of securities

(1) Shares in subsidiaries and affiliates

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

(2) Available-for-sale securities

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

Securities other than shares, etc., that do not have a market price are measured at fair value based on the market price, etc., as of the fiscal year-end.

(Any valuation differences are directly charged or credited to net assets and cost of securities sold is calculated by the moving average method.)

Shares, etc., that do not have a market price

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

2. Method of depreciation and amortization of non-current assets

(1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are depreciated principally using the straight line method.

The declining-balance method is used for tools, furniture and fixtures.

The range of useful lives is as follows:

Buildings 10 to 50 years

Tools, furniture and fixtures 3 to 15 years

(2) Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight-line method.

Software for internal use is amortized using the straight-line method over the expected useful life in the Company (five years).

(3) Leased assets

Leased assets are amortized using the straight-line method based on the assumption that the useful lives are equivalent to the lease terms and the residual value is zero.

3. Basis for recording provisions

(1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided for possible losses arising from bad debts at an amount determined based on the historical default rates for general receivables, and an individual estimate of uncollectible amounts for specific doubtful receivables from customers experiencing financial difficulties.

(2) Provision for bonuses

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

(3) Provision for share awards

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

(4) Other provisions

Provision for bonuses is recorded at an estimated amount attributable to the consolidated fiscal year to provide for future payments of performance-linked remuneration to Directors.

4. Basis for recording revenue and expenses

As a holding company, the Company is engaged in the supervision of the business subsidiaries within the Group. The Company collects and receives from subsidiaries a management instruction fee, system usage fee and real estate rent fee based mainly on contracts with them, and as its performance obligations are satisfied when the Company provides supervision of the business subsidiaries within the Group, the Company recognizes revenue as it provides the supervision.

5. Basis for converting important foreign currency-denominated assets and liabilities into Japanese yen

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate as of the balance sheet date. The foreign exchange gains and losses from such translation are recognized in the consolidated statements of income.

6. Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System

The Company applies the group tax sharing system. The Company has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No. 42, August 12, 2021) to the accounting for income tax and local income tax or tax effect accounting relating thereto.

(Significant accounting estimates)

Recoverability of deferred tax assets

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

(Millions of yen)

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Deferred tax assets	739	741

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

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

(Changes in accounting policies)

Application of “Accounting Standard for Current Income Taxes”

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, hereinafter, the “2022 Revised Accounting Standards”) has been applied from the beginning of the fiscal year under review. The revision of the accounting classification for income taxes follows the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards. This change in accounting policy has no impact on the financial statements.

(Additional information)

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

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

(Changes in presentation method)

(Non-consolidated statements of income)

“Loss on valuation of investment securities” which was included in “Other” under “Extraordinary losses” in the previous fiscal year, has been presented separately from the fiscal year under review due to its increased monetary importance. To reflect this change in presentation method, the non-consolidated financial statements for the previous fiscal year have been reclassified. As a result, the ¥29 million previously presented under “Other” under “Extraordinary losses” in the previous fiscal year has been reclassified as ¥28 million under “Loss on valuation of investment securities” and ¥0 million under “Other.”

(Non-consolidated balance sheet)

*1. Monetary claims and obligations to affiliates

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Short-term monetary claims	¥4,014 million	¥4,363 million
Long-term monetary claims	¥4,909 million	¥1,954 million
Short-term monetary obligations	¥41 million	¥27 million

2. Liability on guarantees

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

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
JINS SHANGHAI CO., LTD.	¥1,831 million	¥1,415 million
JINS Hong Kong Limited	¥323 million	¥335 million
JINS Eyewear US, Inc.	¥34 million	¥4 million
Yamato Technical Co., Ltd.	¥14 million	¥33 million
JINS TAIWAN CO., LTD.	¥9 million	¥- million
Total	¥2,213 million	¥1,788 million

3. Overdraft agreements

The Company entered into overdraft agreements with five counterparty banks to efficiently procure working capital.

The outstanding borrowings and the unused balances under these agreements as of August 31, 2024 and 2025 were as follows.

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Total amount of overdraft limit	¥10,800 million	¥10,800 million
Outstanding borrowings	-	¥4,000 million
Unused balance	¥10,800 million	¥6,800 million

4. Commitment agreements

Loan commitment agreements

On August 26, 2022, the Company entered into loan commitment agreements with counterparty banks to flexibly and stably procure working capital and funding for capital investments mainly for new store openings.

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Total amount of loan commitments	¥8,000 million	¥8,000 million
Available amount at the year-end	¥4,000 million	¥4,000 million
Outstanding borrowings	-	-
Unused balance	¥4,000 million	¥4,000 million

5. Financial covenants

Previous 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.

Loan commitment agreements entered into on August 26, 2022

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

Financial covenants on the loan commitment agreements above

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

Fiscal year under review (August 31, 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.

Loan commitment agreements entered into on August 26, 2022

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

Financial covenants on the loan commitment agreements above

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

(Non-consolidated statements of income)

*1. Transactions with affiliates

	Previous fiscal year (from September 1, 2023 to August 31, 2024)	Fiscal year under review (from September 1, 2024 to August 31, 2025)
Operating revenue	¥7,139 million	¥9,413 million
Operating expenses	¥45 million	¥94 million
Transactions other than business transactions	¥117 million	¥177 million

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

Major components and amounts were as follows.

	Previous fiscal year From September 1, 2023 to August 31, 2024	Fiscal year under review From September 1, 2024 to August 31, 2025
Salaries and allowances	¥622 million	¥486 million
Provision for share awards	¥51 million	¥58 million
Bonus allowances	¥50 million	¥60 million
Rent expenses on land and buildings	¥402 million	¥418 million
Advertising expenses	¥57 million	¥106 million
Depreciation and amortization	¥417 million	¥496 million
Commission expenses	¥1,725 million	¥2,482 million

(Securities)

Fair value of shares in subsidiaries and affiliates (the amount recorded in the balance sheet was ¥2,594 million of shares of subsidiaries and associates for the fiscal year under review and ¥1,893 million of shares of subsidiaries and associates for the previous fiscal year) is not stated as they are shares, etc., that do not have a market price.

(Tax effect accounting)

1. The significant components of deferred tax assets and liabilities

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Deferred tax assets		
Loss on valuation of shares of subsidiaries and associates	¥2,395 million	¥2,465 million
Tax loss carryforwards	¥421 million	¥374 million
Shares of subsidiaries and associates	¥297 million	¥306 million
Allowance for doubtful accounts	¥207 million	¥421 million
Other	¥352 million	¥400 million
Subtotal	¥3,674 million	¥3,968 million
Valuation allowance	¥(2,914 million)	¥(3,212 million)
Total deferred tax assets	¥760 million	¥755 million
Deferred tax liabilities		
Valuation difference on available-for-sale securities	¥(17 million)	¥(12 million)
Other	¥(3 million)	¥(0 million)
Total deferred tax liabilities	¥(21 million)	¥(13 million)
Net deferred tax assets	¥739 million	¥741 million

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

	Previous fiscal year (August 31, 2024)	Fiscal year under review (August 31, 2025)
Statutory tax rate	30.6	30.6%
(Reconciliation)		
Permanent difference due to items excluded from gross revenue such as dividend income	(69.8)	(34.6)
Valuation allowance	47.2	5.1
Other	(0.2)	0.4
Effective tax rate after tax effect	7.8	1.5

3. Adjustments to deferred tax assets and liabilities due to changes in income tax rates

The “Act for Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025)” was enacted by the Diet on March 31, 2025. Consequently, taxation under the “Special Defense Corporate Tax” will commence for the fiscal years beginning on or after April 1, 2026.

As a result, the statutory tax rate for deferred tax assets and liabilities related to temporary differences that are expected to be reversed in and after the fiscal year beginning September 1, 2026, has been changed from 30.6% to 31.5%.

The impact of this tax rate change is minimal.

4. Accounting for income tax and local income tax or tax effect accounting relating thereto

The Company has applied the group tax sharing system and the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No. 42, August 12, 2021) to the accounting for income tax and local income tax or tax effect accounting relating thereto.

(Notes on revenue recognition)

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

(Subsequent events)

Not applicable.

4) Annexed detailed schedules

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

(Millions of yen)

Class of assets	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Accumulated depreciation or amortization at the end of the year	Amortization during the year	Unused balance at the end of the year
Property, plant and equipment							
Buildings	423	14	-	437	160	19	276
Structures	6	-	-	6	4	0	1
Tools, furniture and fixtures	79	10	-	89	55	13	34
Leased assets	16	-	-	16	16	-	-
Construction in progress	3	19	19	3	-	-	3
Total	528	44	19	553	237	33	315
Intangible assets							
Trademark right	3	-	-	3	3	-	-
Patent right	0	-	-	0	0	-	-
Software	3,074	1,164	-	4,238	2,452	463	1,786
Software in progress	559	3,782	1,135	3,206	-	-	3,206
Leased assets	87	-	-	87	87	-	-
Total	3,725	4,946	1,135	7,537	2,543	463	4,993

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

Software	Development of a business system, etc.	¥1,164 million
Software in progress	Preparation for introducing a system, etc.	¥3,782 million

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

Software in progress	Preparation for introducing a system, etc.	¥1,135 million
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[Annexed detailed schedule of provisions]

(Millions of yen)

Item	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
Allowance for doubtful accounts	702	1,335	702	1,335
Provision for bonuses	31	26	31	26
Provision for share awards	51	58	14	95
Other provisions	-	233	-	233

(2) Components of major assets and liabilities

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

(3) Other

Not applicable.

VI. Overview of the Submitting Company's Share Administration

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

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

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

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

VII. Reference Information of the Submitting Company

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

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

2. Other reference information

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

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

Fiscal year (37th term) (From September 1, 2023 to August 31, 2024) Submitted to the Director-General of the Kanto Local Finance Bureau on November 28, 2024.

(2) Amended Annual Securities Report and a confirmation letter

Fiscal year (37th term) (From September 1, 2023 to August 31, 2024) Submitted to the Director-General of the Kanto Local Finance Bureau on January 10, 2025.

(3) Internal control report and its attached documents

Submitted to the Director-General of the Kanto Local Finance Bureau on November 28, 2024.

(4) Semiannual report and a confirmation letter

During the 38th term (from September 1, 2024 to February 28, 2025), submitted to the Director-General of the Kanto Local Finance Bureau on April 11, 2025.

(5) Extraordinary report

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

Submitted to the Director-General of the Kanto Local Finance Bureau on November 29, 2024.

An extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 3 (Change to Specified Subsidiary Companies) of the Cabinet Office Order on Disclosure of Corporate Affairs. Submitted to the Director-General of the Kanto Local Finance Bureau on July 9, 2025.

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

Not applicable.