

Quarterly Securities Report

(The First Quarter of the 36th 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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|---|---|
| [Document title] | Quarterly Securities Report |
| [Article of the applicable law requiring submission of this document] | Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act |
| [Filed to] | Director-General of the Kanto Local Finance Bureau |
| [Filing date] | January 12, 2023 |
| [Fiscal year] | First quarter of the 36th term (from September 1, 2022 to November 30, 2022) |
| [Company name] | JINS HOLDINGS Inc. |
| [Company name in English] | JINS HOLDINGS Inc. |
| [Title and name of representative] | Hitoshi Tanaka, CEO and Representative Director |
| [Address of registered headquarter] | 26-4 Kawaharamachi 2-chome, Maebashi-shi, Gunma (This is the address of the registered head office, but the actual business is conducted at the nearest place of contact.) |
| [Telephone number] | Not applicable. |
| [Name of contact person] | Not applicable. |
| [Nearest place of contact] | Iidabashi Grand Bloom 30th Flr., 10-2 Fujimi 2-chome, Chiyoda-ku, Tokyo |
| [Telephone number] | +81-3-5275-7001 (main number) |
| [Name of contact person] | Yukinori Arakawa, Executive Officer and General Manager of Administration Division |
| [Place for public inspection] | Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo) |

Part I Company Information

I. Overview of Company

1. Key financial data

| Term | 35th term Three months ended November 30, 2021 | 36th term Three months ended November 30, 2022 | 35th term |
|---|--|--|--|
| Accounting period | From September 1, 2021 to November 30, 2021 | From September 1, 2022 to November 30, 2022 | From September 1, 2021 to August 31, 2022 |
| Net sales (millions of yen) | 15,275 | 17,051 | 66,901 |
| Ordinary profit (millions of yen) | 691 | 665 | 3,789 |
| Profit attributable to owners of parent (millions of yen) | 433 | 376 | 750 |
| Comprehensive income (millions of yen) | 437 | 392 | 1,063 |
| Net assets (millions of yen) | 20,176 | 20,799 | 20,406 |
| Total assets (millions of yen) | 52,684 | 54,250 | 54,721 |
| Earnings per share (yen) | 18.56 | 16.13 | 32.17 |
| Diluted earnings per share (yen) | 16.47 | 14.24 | 27.37 |
| Equity ratio (%) | 38.3 | 38.3 | 37.3 |

(Note) As the Company prepares the quarterly consolidated financial statements, the description of key financial data of the submitting company is omitted.

2. Description of business

There are no significant changes in the description of business which the Company group (the Company and the Company's affiliates). Hereinafter, the "Group" operates during the three months ended November 30, 2022.

In addition, there are no changes in major affiliates.

II. Overview of Business

1. Business risks

In the three months ended November 30, 2022, there were no matters that may have a significant impact on the judgment of investors in the overview of business, financial information and other matters stated in this Quarterly Securities Report or no significant changes in “Business Risks” stated in the Annual Securities Report for the previous fiscal year.

The impact of COVID-19 is as stated in “2. Management analysis of financial position, operating results and cash flows” and we will continue to monitor the situation.

In addition, there were no material events.

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

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

(1) Financial position and operating results

During the three months ended November 30, 2022 (September 1, 2022 to November 30, 2022), the Japanese economy experienced the continued periodic increase and decrease in the number of infected people with the novel coronavirus disease (COVID-19) as well as continuous inflation caused by a surge in crude oil prices and currency movement due to the situation in Ukraine, while personal consumption showed signs of recovery due to the government’s travel assistance program and other factors. Looking at the global economy, the response to COVID-19 has varied from country to country and region to region, and particularly in China, as urban blockades under the zero-Covid policy have been implemented intermittently, economic activities have been affected. In addition, the economic impact of Russia’s invasion of Ukraine has been prolonged, and there are concerns about increasing downward risks to the economy due to global inflation caused by rising prices of crude oil and raw materials, and widening interest rate disparities among countries.

The domestic retail eyewear market (eyeglasses for vision correction) continues to experience ups and downs versus the same period of the previous year owing to the impact of COVID-19. Although there are signs of recovery, the situation has not yet recovered to the level before the outbreak of COVID-19.

Under this market environment, in the eyewear business, the Company and its consolidated subsidiaries (collectively, the “Group”) took such initiatives as rebuilding the supply chain and strengthening development of innovative products, which they identified as management issues. In terms of rebuilding of the supply chain, we have started to strengthen our manufacturing bases in Japan by making Yamato Technical Co., Ltd. a subsidiary, with the aim of eliminating concentration of production at a single manufacturing base overseas and shortening the lead time for delivery to storefronts. With regard to product development, we have worked on a joint project to develop an eyeglass-shaped, violet-light-emitting medical device designed to suppress the progress of myopia, conducted as part of our initiatives to realize “the world free from myopia,” and total research and development expenses were ¥11 million for the three months ended November 30, 2022.

In terms of store development, the number of stores as of November 30, 2022, was 707, including 472 stores in Japan and 235 stores overseas (175 in China, 49 in Taiwan, 7 in Hong Kong, and 4 in the United States).

As a result, for the three months ended November 30, 2022, the Company posted net sales of ¥17,051 million (up 11.6% year-on-year) partly thanks to the impact of new store openings in Japan and overseas, in addition to a recovery from the impact of COVID-19, mainly in the overseas eyewear business. Operating profit was ¥780 million (up 35.0% year-on-year), ordinary profit was ¥665 million (down 3.7% year-on-year) partly due to currency movement related to purchase settlements, and profit attributable to owners of parent was ¥376 million (down 13.1% year-on-year).

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

1) Business results by segment

<Domestic Eyewear Business>

In the domestic eyewear business, standard products including the “JINS CLASSIC” series and “STANDARD” series were renewed for the first time in approximately seven years and received favorable feedback, while “JINS x Dick Bruna,” a collaboration with Dick Bruna’s picture book illustrations featuring Miffy and her friends, performed well and boosted sales. In

addition, membership of the JINS app reached approximately 11.71 million people as of the end of November 2022, and e-commerce sales also continued to be strong. Regarding the impact of COVID-19, the impact due to the increase and decrease in the number of infected persons is gradually diminishing.

In terms of store development, the number of stores in Japan was 472 (10 openings and 2 closures) as of the end of the period under review.

As a result, net sales of the domestic eyewear business were ¥12,466 million (up 4.8% year-on-year), and segment operating profit was ¥463 million (down 10.6% year-on-year).

<Overseas Eyewear Business>

In the overseas eyewear business, in China, the government's zero-Covid policy has caused a drastic change in market conditions. Although the number of customers had temporarily rebounded and business performance had recovered as a reaction to urban blockades in metropolitan areas implemented in early spring, an increase in urban blockades, mainly in regional cities, again occurred from late August, which has begun to affect the number of customers and we are concerned about its impact on our future business performance.

In Taiwan, the impact of COVID-19 has been minimal and business performance has been strong mainly due to favorable feedback of the Japan-made lenses that are available as an option.

In Hong Kong, the impact of COVID-19 was limited and business results remained profitable.

In the United States, we closed our flagship store in San Francisco, which was unprofitable, in August, and have promoted business structure reform aimed at expanding the scale of business, centered on the EC business.

In terms of store development, the total number of stores overseas was 235 as of the end of the period under review, including 175 stores in China (1 opening and no closures), 49 in Taiwan (no openings or closures), 7 in Hong Kong (no openings or closures), and 4 in the United States (no openings and 2 closures).

As a result, net sales of the overseas eyewear business were ¥4,584 million (up 35.5% year-on-year), and segment operating profit was ¥316 million (up 431.3% year-on-year).

2) Analysis of financial position

(a) Assets

Current assets decreased ¥792 million from the end of the previous fiscal year to ¥32,381 million.

This was mainly due to a decrease of ¥2,393 million in cash and deposits, despite an increase of ¥1,194 million in merchandise and finished goods.

Non-current assets increased ¥320 million from the end of the previous fiscal year to ¥21,868 million.

This was mainly due to increases of ¥158 million in property, plant and equipment such as buildings and structures and ¥44 million in leasehold and guarantee deposits as a result of the Group's expansion of retail stores.

As a result, total assets decreased ¥471 million from the end of the previous fiscal year to ¥54,250 million.

(b) Liabilities

Current liabilities decreased ¥643 million from the end of the previous fiscal year to ¥22,056 million.

This was mainly due to a decrease of ¥543 million in income taxes payable as a result of tax payments.

Non-current liabilities decreased ¥220 million from the end of the previous fiscal year to ¥11,394 million.

This was mainly due to a decrease of ¥96 million in long-term borrowings.

As a result, total liabilities decreased ¥863 million from the end of the previous fiscal year to ¥33,450 million.

(c) Net assets

Net assets increased ¥392 million from the end of the previous fiscal year to ¥20,799 million.

This was mainly due to the recording of ¥376 million in profit attributable to owners of parent.

(3) Research and development activities

Total research and development expenses were ¥11 million for the three months ended November 30, 2022.

There was no material change in the Group's research and development activities during the three months ended November 30, 2022.

3. Material contracts, etc.

There was no decision or conclusion of material management contracts, etc. during the three months ended November 30, 2022.

III. Status of the Submitting Company

1. Status of Shares, etc.

(1) Total number of shares, etc.

1) Total Number of Shares

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

2) Issued Shares

| Class | As of the end of 1st quarter of the fiscal year (shares) (November 30, 2022) | As of the submission date (shares) (January 12, 2023) | Stock exchange on which the Company is listed | Details |
|--------------|---|--|---|--|
| Common stock | 23,980,000 | 23,980,000 | Tokyo Stock Exchange (Prime Section) | The number of shares constituting one unit: 100 shares |
| Total | 23,980,000 | 23,980,000 | — | — |

(2) Status of Share Acquisition Rights, etc.

1) Details of the Stock Option Plan

Not applicable.

2) Status of Other Share Acquisition Rights, etc.

Not applicable.

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

Not applicable.

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

| Date | Changes in the total number of shares issued (shares) | Balance of the total number of shares issued (shares) | Changes in common stock (millions of yen) | Balance of common stock (millions of yen) | Changes in legal capital surplus (millions of yen) | Balance of legal capital surplus (millions of yen) |
|---|---|---|---|---|--|--|
| From September 1, 2022 to November 30, 2022 | — | 23,980,000 | — | 3,202 | — | 3,157 |

(5) Status of Major Shareholders

There are no matters to be stated as the period under review is the first quarter.

(6) Status of Voting Rights

1) Issued Shares

As of November 30, 2022

| 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.) | Common stock 639,800 | — | — |
| Shares with full voting rights (others) | Common stock 23,331,700 | 233,317 | Number of shares per unit: 100 shares |
| Odd-lot shares | Common stock 8,500 | — | — |
| Total number of shares issued | 23,980,000 | — | — |
| Total voting rights held by shareholders | — | 233,317 | — |

2) Treasury Stock, etc.

As of November 30, 2022

| 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 | 639,800 | — | 639,800 | 2.67 |
| Total | — | 639,800 | — | 639,800 | 2.67 |

2. Status of Officers

Not applicable.

IV. Financial Information

1. Preparation methods of quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared based on the Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Order No. 64 of 2007).

2. Audit certification

The Company's quarterly consolidated financial statements for the first quarter of the fiscal year under review (from September 1, 2022 to November 30, 2022) and the three months ended November 30, 2022 (from September 1, 2022 to November 30, 2022) have received a quarterly review by Ernst & Young ShinNihon LLC, pursuant to provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

1. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

| | As of August 31, 2022 | As of November 30, 2022 |
|-------------------------------------|-----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 21,430 | 19,036 |
| Accounts receivable - trade | 4,514 | 4,445 |
| Merchandise and finished goods | 5,406 | 6,600 |
| Raw materials and supplies | 446 | 546 |
| Other | 1,376 | 1,752 |
| Total current assets | 33,174 | 32,381 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 7,610 | 7,692 |
| Other, net | 2,139 | 2,216 |
| Total property, plant and equipment | 9,750 | 9,908 |
| Intangible assets | 2,196 | 2,269 |
| Investments and other assets | | |
| Leasehold and guarantee deposits | 4,910 | 4,954 |
| Other | 4,690 | 4,735 |
| Total investments and other assets | 9,601 | 9,690 |
| Total non-current assets | 21,547 | 21,868 |
| Total assets | 54,721 | 54,250 |

(Millions of yen)

| | As of August 31, 2022 | As of November 30, 2022 |
|--|-----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable – trade | 2,535 | 1,976 |
| Current portion of convertible bond-type bonds with share acquisition rights | 10,033 | 10,016 |
| Short-term borrowings | 1,869 | 2,214 |
| Current portion of long-term borrowings | 70 | 56 |
| Accounts payable - other, and accrued expenses | 4,676 | 5,495 |
| Income taxes payable | 912 | 369 |
| Provision for bonuses | 67 | 93 |
| Provision for product warranties | 168 | 161 |
| Allowance for office relocation expenses | 235 | 235 |
| Allowance for business structure reform expenses | 628 | 64 |
| Asset retirement obligations | 356 | 357 |
| Other | 1,145 | 1,013 |
| Total current liabilities | 22,699 | 22,056 |
| Non-current liabilities | | |
| Convertible bond-type bonds with share acquisition rights | 10,025 | 10,022 |
| Long-term borrowings | 131 | 34 |
| Asset retirement obligations | 265 | 266 |
| Other | 1,193 | 1,071 |
| Total non-current liabilities | 11,615 | 11,394 |
| Total liabilities | 34,314 | 33,450 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 3,202 | 3,202 |
| Capital surplus | 3,228 | 3,228 |
| Retained earnings | 18,623 | 18,999 |
| Treasury stock | (5,003) | (5,003) |
| Total shareholders' equity | 20,051 | 20,427 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 189 | 193 |
| Foreign currency translation adjustment | 166 | 178 |
| Total accumulated other comprehensive income | 355 | 371 |
| Total net assets | 20,406 | 20,799 |
| Total liabilities and net assets | 54,721 | 54,250 |

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

Three months ended November 30, 2021 and November 30, 2022

(Millions of yen)

| | For the three months ended November 30, 2021 | For the three months ended November 30, 2022 |
|---|---|---|
| Net sales | 15,275 | 17,051 |
| Cost of sales | 3,341 | 3,553 |
| Gross profit | 11,934 | 13,498 |
| Selling, general and administrative expenses | *1 11,356 | *1 12,718 |
| Operating profit | 577 | 780 |
| Non-operating income | | |
| Interest income | 21 | 20 |
| Foreign exchange gains | 130 | - |
| Subsidy income | 73 | 107 |
| Other | 12 | 19 |
| Total non-operating income | 237 | 147 |
| Non-operating expenses | | |
| Interest expenses | 39 | 34 |
| Share of loss of entities accounted for using equity method | 22 | 30 |
| Rental expenses on real estate | 56 | 50 |
| Foreign exchange losses | - | 126 |
| Other | 6 | 20 |
| Total non-operating expenses | 124 | 262 |
| Ordinary profit | 691 | 665 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 37 | 28 |
| Loss on store closings | 3 | 3 |
| Loss due to temporary store closures | - | *2 19 |
| Total extraordinary losses | 40 | 51 |
| Profit before income taxes | 650 | 613 |
| Income taxes – current | 162 | 204 |
| Income taxes – deferred | 53 | 32 |
| Total income taxes | 216 | 237 |
| Profit | 433 | 376 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 433 | 376 |

Quarterly consolidated statements of comprehensive income
 Three months ended November 30, 2021 and November 30, 2022

(Millions of yen)

| | For the three months ended November 30, 2021 | For the three months ended November 30, 2022 |
|--|---|---|
| Profit | 433 | 376 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | - | 3 |
| Foreign currency translation adjustment | 4 | 8 |
| Share of other comprehensive income of entities accounted for using equity method | - | 4 |
| Total other comprehensive income | 4 | 16 |
| Comprehensive income | 437 | 392 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of parent | 437 | 392 |
| Comprehensive income attributable to non-controlling interests | - | - |

[Notes]

(Changes in accounting policies, etc.)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Guidance”) from the beginning of the first quarter of the fiscal year under review. Accordingly, the Company will apply new accounting policies prescribed in the Fair Value Measurement Guidance in the future in accordance with the provisional treatment stipulated in Paragraph 27-2 of the same Guidance. The application of the Guidance has no impact on the quarterly consolidated financial statements.

(Quarterly consolidated balance sheet)

I. Liability on guarantees

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

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

| Previous consolidated fiscal year (August 31, 2022) | 1st quarter of consolidated fiscal year under review (November 30, 2022) |
|--|--|
| ¥227 million | ¥227 million |

II. Financial covenants

Previous consolidated fiscal year (August 31, 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, and the said loan commitment agreements are subject to financial covenants.

(1) Loan commitment agreements entered into on August 29, 2017

| | |
|----------------------------------|----------------|
| 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.

As the commitment period of the loan commitment agreements expired on August 31, 2022, the Company entered into an agreement with September 1, 2022 being the commencement date of the commitment period on August 26, 2022. There is no change in the financial covenants under the new agreement.

First quarter of the consolidated fiscal year under review (November 30, 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, and the said loan commitment agreements are subject to financial covenants.

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

| | |
|------------------------------------|----------------|
| Total amount of loan commitments | ¥8,000 million |
| Available amount at the period-end | ¥4,000 million |
| Outstanding borrowings | - |
| <hr/> | |
| 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.

(Quarterly consolidated statements of income)

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

| | Three months ended November 30, 2021 | Three months ended November 30, 2022 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and allowances | ¥3,474 million | ¥3,738 million |
| Rent expenses on land and buildings | ¥2,737 million | ¥2,935 million |
| Advertising expenses | ¥658 million | ¥629 million |
| Research and development expenses | ¥55 million | ¥11 million |

*2. Loss due to temporary store closures

For the three months ended November 30, 2021

Not applicable.

For the three months ended November 30, 2022

In response to intermittent lockdowns of Chinese cities due to the spread of COVID-19, the Group had to shut down up to 28 stores. The Group recorded a loss due to temporary store closures of ¥19 million, which includes rent expenses on land and buildings during the store closing periods, in extraordinary losses.

(Quarterly consolidated statements of cash flows)

The quarterly consolidated statements of cash flows for the three months ended November 30, 2022 were not prepared.

Depreciation (including amortization of intangible assets) for the three months ended November 30, 2022 is as follows:

| | Three months ended November 30, 2021 | Three months ended November 30, 2022 |
|--------------|--------------------------------------|--------------------------------------|
| Depreciation | ¥675 million | ¥734 million |

(Shareholders' equity)

I. For the three months ended November 30, 2021

1. Dividends paid

| Resolution | Class of shares | Total amount (Millions of Yen) | Per share amount (Yen) | Record date | Effective date | Source of dividends |
|--|-----------------|-----------------------------------|---------------------------|-----------------|-------------------|------------------------|
| Annual General Meeting of Shareholders held on November 25, 2021 | Common stock | 466 | 20.00 | August 31, 2021 | November 26, 2021 | Retained earnings |

2. Of dividends for which the record date is during the three months ended November 30, 2021, dividends with effective dates falling after the end of the first quarter of the fiscal year

Not applicable.

II. For the three months ended November 30, 2022

1. Dividends paid

Not applicable.

2. Of dividends for which the record date is during the three months ended November 30, 2022, dividends with effective dates falling after the end of the first quarter of the fiscal year

Not applicable.

(Segment information, etc.)

[Segment information]

I. For the three months ended November 30, 2021

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

(Millions of yen)

| | Reportable segment | | | Adjustments | Consolidated (Note) |
|---------------------------------------|---------------------------------|---------------------------------|----------|-------------|------------------------|
| | Domestic eyewear business | Overseas eyewear business | Subtotal | | |
| Net sales: | | | | | |
| Revenue from contracts with customers | 11,890 | 3,384 | 15,275 | - | 15,275 |
| Sales to outside customer | 11,890 | 3,384 | 15,275 | - | 15,275 |
| Intersegment sales or transfers | 85 | 0 | 85 | (85) | - |
| Total | 11,975 | 3,385 | 15,361 | (85) | 15,275 |
| Segment profit | 518 | 59 | 577 | - | 577 |

Note: Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

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

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. For the three months ended November 30, 2022

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

(Millions of yen)

| | Reportable segment | | | Adjustments | Consolidated (Note) |
|---|---------------------------------|---------------------------------|----------|-------------|------------------------|
| | Domestic eyewear business | Overseas eyewear business | Subtotal | | |
| Net sales: | | | | | |
| Revenue from contracts with customers | 12,466 | 4,584 | 17,051 | - | 17,051 |
| Sales to outside customers | 12,466 | 4,584 | 17,051 | - | 17,051 |
| Intersegment sales or transfers | 170 | 1 | 172 | (172) | - |
| Total | 12,637 | 4,586 | 17,224 | (172) | 17,051 |
| Segment profit | 463 | 316 | 780 | - | 780 |

Note: Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

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

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Revenue recognition)

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

(Per Share Information)

Basic and diluted earnings per share are calculated as follows:

| Items | Three months ended November 30, 2021 | Three months ended November 30, 2022 |
|--|---|---|
| (1) Basic earnings per share | ¥18.56 | ¥16.13 |
| (Basis for calculation) | | |
| Profit attributable to owners of parent (millions of yen) | 433 | 376 |
| Profit not attributable to common shareholders (millions of yen) | - | - |
| Profit attributable to owners of parent related to common stock (millions of yen) | 433 | 376 |
| Weighted-average number of shares of common stock outstanding during the year (shares) | 23,340,216 | 23,340,164 |
| (2) Diluted earnings per share | ¥16.47 | ¥14.24 |
| (Basis for calculation) | | |
| Adjustments to profit attributable to owners of parent (millions of yen) | (13) | (13) |
| [of which, interest income (after tax effect)] (millions of yen) | [(13)] | [(13)] |
| Increase in number of shares of common stock (shares) | 2,156,660 | 2,156,660 |
| [of which, convertible bond-type bonds with share acquisition rights] | [2,156,660] | [2,156,660] |
| Summary of potential shares not included in calculation of diluted earnings per share due to lack of dilutive effect | | - |

(Subsequent events)

Not applicable.

2. Other

Not applicable.

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

Not applicable.