

# Consolidated Financial Results for the Three Months Ended November 30, 2022 [Japanese GAAP]



January 12, 2023

Company name: JINS HOLDINGS Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3046  
 URL: <https://jinsholdings.com>  
 Representative: Hitoshi Tanaka, CEO and Representative Director  
 Contact: Mikiya Yamawaki, Executive Officer and General Manager, Investor Relations Division  
 Phone: +81-3-5275-7001  
 Scheduled date of filing quarterly securities report: January 12, 2023  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary briefing material on quarterly financial results: Not available  
 Schedule of quarterly financial results briefing session: Not scheduled

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

## 1. Consolidated Financial Results for the Three Months Ended November 30, 2022 (September 1, 2022 to November 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended November 30, 2022	17,051	11.6	780	35.0	665	(3.7)	376	(13.1)
November 30, 2021	15,275	3.1	577	(26.0)	691	(2.1)	433	17.4

(Note) Comprehensive income: Three months ended November 30, 2022: ¥392 million [(10.3)%]  
 Three months ended November 30, 2021: ¥437 million [(1.9)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2022	16.13	14.24
November 30, 2021	18.56	16.47

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2022	54,250	20,799	38.3
As of August 31, 2022	54,721	20,406	37.3

(Reference) Equity: As of November 30, 2022: ¥20,799 million  
 As of August 31, 2022: ¥20,406 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2022	–	17.00	–	0.00	17.00
Fiscal year ending August 31, 2023	–				
Fiscal year ending August 31, 2023 (Forecast)		13.00	–	40.00	53.00

(Note) Revision to the forecast for dividends announced most recently: No

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2023 (September 1, 2022 to August 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	36,680	12.2	1,960	3.0	1,810	(16.7)	1,000	(14.6)	42.84
Full year	78,100	16.7	7,000	111.1	6,700	76.8	4,100	446.0	175.66

(Note) Revision to the financial results forecast announced most recently: No

#### \* Notes:

- (1) Changes in significant subsidiaries during the three months ended November 30, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury stock):
    - November 30, 2022: 23,980,000 shares
    - August 31, 2022: 23,980,000 shares
  - 2) Total number of treasury stock at the end of the period:
    - November 30, 2022: 639,846 shares
    - August 31, 2022: 639,815 shares
  - 3) Average number of shares during the period (Accumulated total of the quarter):
    - Three months ended November 30, 2022: 23,340,164 shares
    - Three months ended November 30, 2021: 23,340,216 shares

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

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

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

For the assumptions for financial results forecast and precautions for using financial results forecast, please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of the attached document.

## Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review .....	2
(1) Explanation of Business Results .....	2
(2) Explanation of Financial Position .....	4
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information .	4
2. Quarterly Consolidated Financial Statements and Primary Notes .....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	7
(3) Notes to Quarterly Consolidated Financial Statements .....	9
(Notes on going concern assumption) .....	9
(Notes in the case of significant changes in shareholders' equity) .....	9
(Changes in accounting policies) .....	9
(Segment information) .....	9

## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Business 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).

Business results by segment are as follows.

Net sales by business segment

Segment	For the three months ended November 30, 2022 (September 1, 2022 to November 30, 2022)	Percentage to the Company's net sales	Year-on-year change
Domestic eyewear business	¥12,466 million	73.1%	4.8%
Overseas eyewear business	¥4,584 million	26.9%	35.5%
Total	¥17,051 million	100.0%	11.6%

#### <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) Explanation of Financial Position

### (Status of Assets, Liabilities and Net Assets)

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

(Millions of yen)

	End of the previous fiscal year (August 31, 2022)	End of 1st quarter of fiscal year under review (November 30, 2022)	Change	Change (%)
Total assets	54,721	54,250	(471)	(0.9)
Liabilities	34,314	33,450	(863)	(2.5)
Net assets	20,406	20,799	392	1.9

#### (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) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

For the first-half and full-year consolidated financial results forecasts for the fiscal year ending August 31, 2023, there are no changes to the forecasts announced on October 14, 2022.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of August 31, 2022	As of November 30, 2022
<b>Assets</b>		
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
<b>Liabilities</b>		
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
<b>Total current liabilities</b>	<b>22,699</b>	<b>22,056</b>
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
<b>Total non-current liabilities</b>	<b>11,615</b>	<b>11,394</b>
<b>Total liabilities</b>	<b>34,314</b>	<b>33,450</b>
<b>Net assets</b>		
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)
<b>Total shareholders' equity</b>	<b>20,051</b>	<b>20,427</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	189	193
Foreign currency translation adjustment	166	178
<b>Total accumulated other comprehensive income</b>	<b>355</b>	<b>371</b>
<b>Total net assets</b>	<b>20,406</b>	<b>20,799</b>
<b>Total liabilities and net assets</b>	<b>54,721</b>	<b>54,250</b>



(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	11,356	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	–	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	–	–

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(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.

(Segment information)

I. For the three months ended November 30, 2021

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

(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 customers	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) and information on disaggregation of revenue by reportable segment

(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.