FASF MEMBERSHIP

October 13, 2023

Company name:	JINS HOLDINGS Inc. (Code number: 3046, TSE Prime Market)
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Notices of Difference between Full-Year Consolidated Financial Results Forecast and Actual Results for the Fiscal Year Ended August 31, 2023, Revisions to Year-End Dividend Forecast (Dividend Increase), and Recording of Loss on Impairment of Investments Accounted for Using the Equity Method (Consolidated) and Loss on Impairment of Non-current Assets (Under Extraordinary Losses)

JINS HOLDINGS Inc. (the "Company") announces that there is a difference between the full-year consolidated financial results forecast and the actual results for the fiscal year ended August 31, 2023 announced on April 14, 2023, there will be revisions to the year-end dividend forecast (dividend increase), and there will be the recording of loss on impairment of investments accounted for using the equity method and loss on impairment of non-current assets, as follows.

1. Difference between full-year consolidated financial results forecast and actual results for the fiscal year ended August 31, 2023 (September 1, 2022 to August 31, 2023)

(1) Details of difference

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	Million yen 73,486	Million yen 4,009	Million yen 3,875	Million yen 2,142	Yen 91.81
Actual results (B)	73,264	4,847	3,739	1,762	75.50
Change (B-A)	(222)	837	(135)	(380)	
Change (%)	(0.3)	20.9	(3.5)	(17.8)	
(Reference) Results for the previous period (Fiscal year ended August 31, 2022)	66,901	3,315	3,789	750	32.17

(2) Reasons for difference

Full-year consolidated net sales for the fiscal year ended August 31, 2023 are expected to be ¥73,264 million, which is ¥222 million less than the previous forecast.

In the domestic eyewear business, regarding the impact of COVID-19, the impact due to the increase and decrease in the number of infected persons gradually diminished, and recently there was almost no impact. Regarding products, at and after the end of the previous fiscal year, we revised selling prices starting from standard products which were renewed for the first time in approximately seven years and, after mid-November 2022, changed selling prices of existing products to the same price zone, which raised unit prices of a complete set of glasses in a steady manner. In addition, we saw strong sales of optional lenses suitable for outdoor use. Thanks mainly to these factors, net sales exceeded the forecast.

For the overseas eyewear business, the impact of COVID-19 varies in each country and region where we have stores. Specifically, in China, business performance temporarily recovered immediately after the zero-Covid policy was essentially lifted in early December. However, the economic slowdown due to the sluggish real estate market and worsening employment conditions had an impact on business performance.

Operating profit was ¥4,847 million, which is ¥837 million more than the previous forecast. Expenditures in advertising expenses, which were positioned as strategic costs, were controlled more effectively than expected as progress was made in effectiveness verification while costs were reduced in other areas as well, such as a reduction in labor costs through controlled hiring.

Ordinary profit was ¥3,739 million, which is ¥135 million less than the previous forecast as there was a recording of a loss on investments in an equity-method affiliate as described in "3. Recording of loss on impairment of investments accounted for using the equity method (consolidated)" below. Profit attributable to owners of parent was ¥1,762 million, which is ¥380 million less than the previous forecast as a result of ordinary profit being lower than the forecast.

2. Revisions to year-end dividend forecast

(1) Details of revisions

	Annual dividends		
	2nd quarter-end	Year-end	Total
	Yen	Yen	Yen
Previously announced forecast (April 14, 2023)		18.00	31.00
Revisions to the forecast		25.00	38.00
Results for the period under review	13.00		
(Reference) Results for the previous period (Fiscal year ended August 31, 2022)	17.00	0.00	17.00

(2) Reasons for revisions

Recognizing that a mid- to long-term increase of shareholder value is its most important mandate, the Company pays interim and year-end dividends based on the results of the first and second half of each fiscal year, respectively, aiming for a consolidated dividend payout ratio of 30%, under a basic policy of maintaining sufficient retained earnings for supporting future business development as well as providing continuous and stable dividend payouts for its shareholders.

Under this policy, we have paid an interim dividend of ¥13 per share. Although profit attributable to owners of parent for the second half of the fiscal year under review, which is included in the full-year consolidated financial results, is lower than the previous forecast, in accordance with the dividend policy of aiming for a consolidated dividend payout ratio of 30%, we have revised the year-end dividend upward by ¥7 from the previous forecast of ¥18 to ¥25 per share based on the amount excluding the impact of investment loss described in "3. Recording of loss on impairment of investments accounted for using the equity method (consolidated)" below.

3. Recording of loss on impairment of investments accounted for using the equity method (consolidated)

Regarding our French equity-method affiliate FITTINGBOX S.A., with which the Company formed a capital and business alliance in July 2021, a significant deviation from the initially established business plan prompted a review of future business plans. As a result of this review, we reassessed the recoverable amount of investments in this equity-method affiliate and recorded an impairment loss of ¥956 million as share of loss of entities accounted for using equity method (under non-operating expenses).

4. Recording of loss on impairment of non-current assets (under extraordinary losses)

The Company recorded an impairment loss of ¥511 million under extraordinary losses in accordance with the Accounting Standard for Impairment of Fixed Assets for stores for which closure decisions were made and for stores showing decreased profitability during the fiscal year ended August 31, 2023.

*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.