

For the Fiscal Year Ended Jan. 2024

Financial Results Briefing



March 2024

Japan Eyewear Holdings

Our Philosophy

Through eyewear, to inspire the world,
to add to the world's cultural richness,
and to share our prosperity
with all our contributors.



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01

Company Overview

A portfolio of luxury eyewear brands from Japan

We produce spectacles of original design to the highest quality in an experienced based craftsmanship process created in the unique, world renowned spectacle production region of “Sabae, Fukui”, sold via our network of luxury retail boutiques (1)

Japan Eyewear Holdings



Trend Leader in Domestic Eyewear Industry Originating in “Sabae, Fukui,” Renowned Hub of Eyewear Production

Since	1958
Revenue	JPY8.6Bn (FY2024/1) Distribute mainly via direct stores
Stores	Direct stores : 80 domestic stores, 2 stores in France, 1 store in China (as of Jan.2024)
Unit Price ⁽²⁾	Approx. JPY73,000



Kaneko Optical



SPIVVY



CRAFTSMAN SERIES



ISSEY MIYAKE EYES



Four Nines

Luxury Eyewear Brand that Realizes Supreme Quality, Beauty Form and Refined Function

Since	1995
Revenue	JPY4.9Bn (FY2024/1) Distribute via direct stores / wholesalers (50/50)
Stores	Direct stores : 14 domestic stores, 1 store in Singapore (as of Jan. 2024)
Unit Price ⁽²⁾	Approx. JPY79,000



999.9



999.9 feelsun



FN/FOURNINES



PLAIDe

Notes:

1. Four Nines sales include product sales other than the direct stores
2. Unit price refers to aggregate price of eyewear frames and lens.

World's Renowned "Sabae" Brand

Through creation of employment and production of environmentally-friendly and sustainable luxury products, we seek to revitalize the community

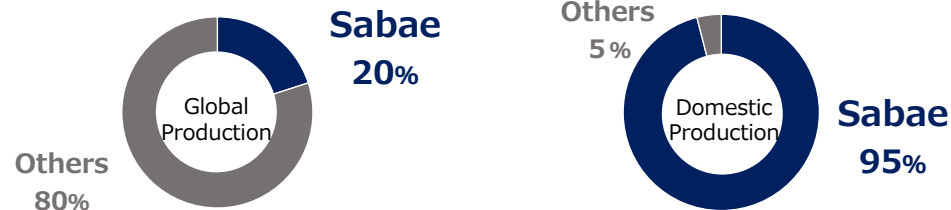
Production of High-quality Eyeglass Frames in Sabae, One of the World's Largest Production Centers

Sabae is one of the three major eyeglass frame production centers with more than 100 years of history

Three Major Eyeglass Frame Production Centers

Location	Start of Production	Style	Strong points
Sabae, JPN	1905~	Divided processes	Skills / Processing
Belluno, ITA	1870s~	In-house integrated system	Design / Brand
Shenzhen / Dongguan, etc., China	1980s~	Mass production	Cost effectiveness

Market share



"Sabae Glasses", the winner of the 1st COOL JAPAN AWARD



COOL JAPAN AWARD
2015

COOL JAPAN AWARD is an award sponsored by The Cool Japan Association and backed by Ministry of Economy, Trade and Industry, etc.

"Sabae Glasses" was among the winners of the 1st COOL JAPAN AWARD along with Toyota's hydrogen fuel cell vehicle

Source: Sabae City PR website, Nikkei Value Search

Community Support at Sabae (Part of ESG Initiatives)

Add innovation to inheritance of Sabae's traditions and hand down them to next generations



Manufacturing at Sabae with an aim to "inherit and develop time-honored artisanship" at Sabae

Transfer of traditional materials and artisanship, combined with enterprising spirit for innovative technologies

History of Establishment of Production Sites at Sabae

- 2009** Built its own factory "BACKSTAGE" for integrated production of plastic eyeglass frames
- 2016** Built its own factory "GLASSWORKS" for specialized production of metal eyeglass frames
- 2019** Built its own factory "BASEMENT" to enhance innovation, in which state-of-the-art robotics are installed in parts of the frame cutting and polishing processes



BASEMENT



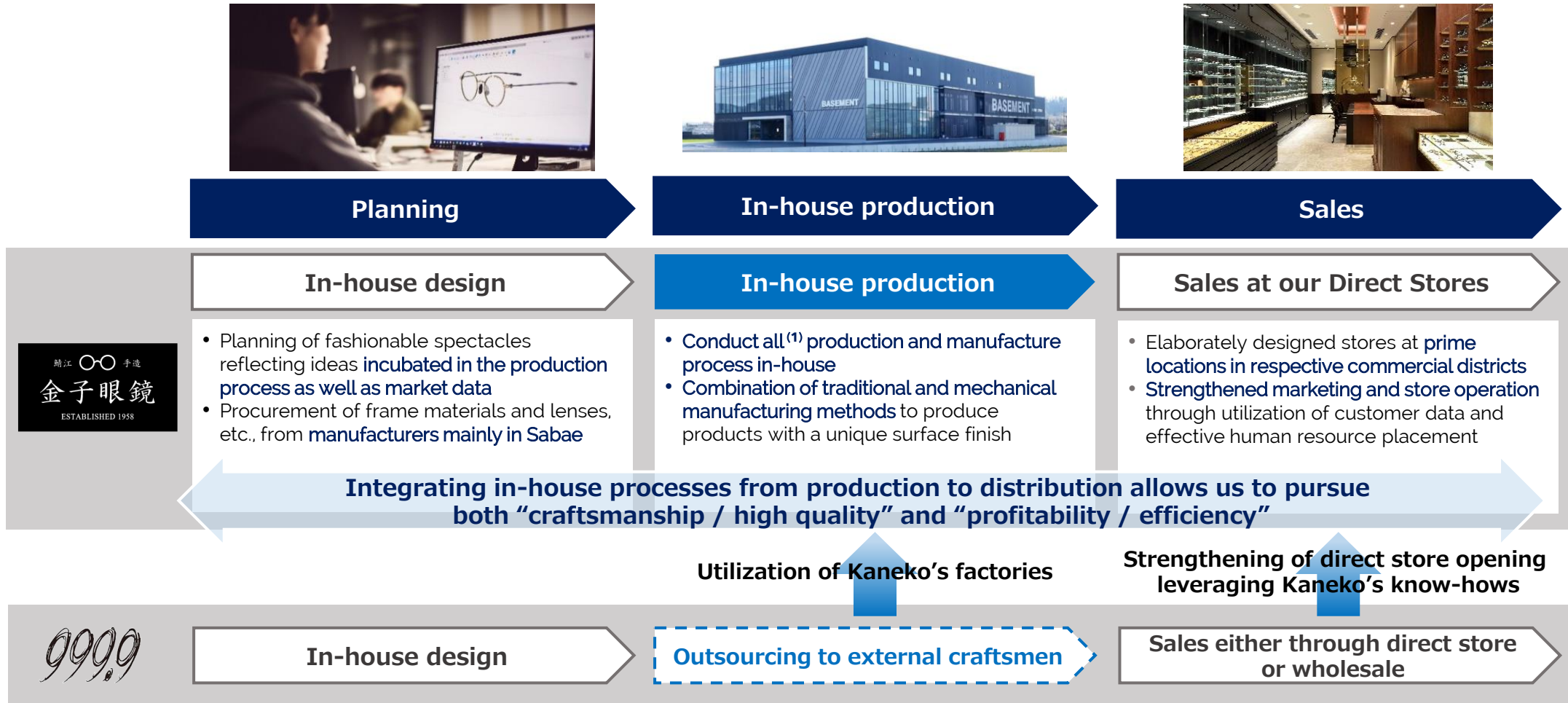
GLASSWORKS



BACKSTAGE

Kaneko's Integrated Business Model that Realizes New Design / Trends

In-house planning, production and distribution are the source of brand value. Seek to increase internal production and direct store sales of 999.9 as part of the benefit of integration into the JEH Group



Notes:
1. Excludes molding, pressing and metal frame processing

In-house Production to Realize High Quality Products

We strive to produce ideal luxury eyewear at our three in-house factories, manufacturing around 100,000 pairs per year in the city of Sabae, the world's third largest eyewear producing location

BASEMENT

For metal and plastic frames



BACKSTAGE

Producing plastic frames



GLASSWORKS

Producing metal frames



New Factory to be Built

To be completed after 2024



- Respond to mass production globally
- Implement in-house production of 999.9 products

Selected Store Location and Store Designs

Nurture luxury brand image that attract customers by opening stores at prime locations with sophisticated store designs

Store Designs that Attract Customers and Enhances Brand Image



Kaneko, Marunouchi-Nakadori

Opened in 2001



999.9, Kyoto Gion

Opened in 2023



02

Growth Strategies

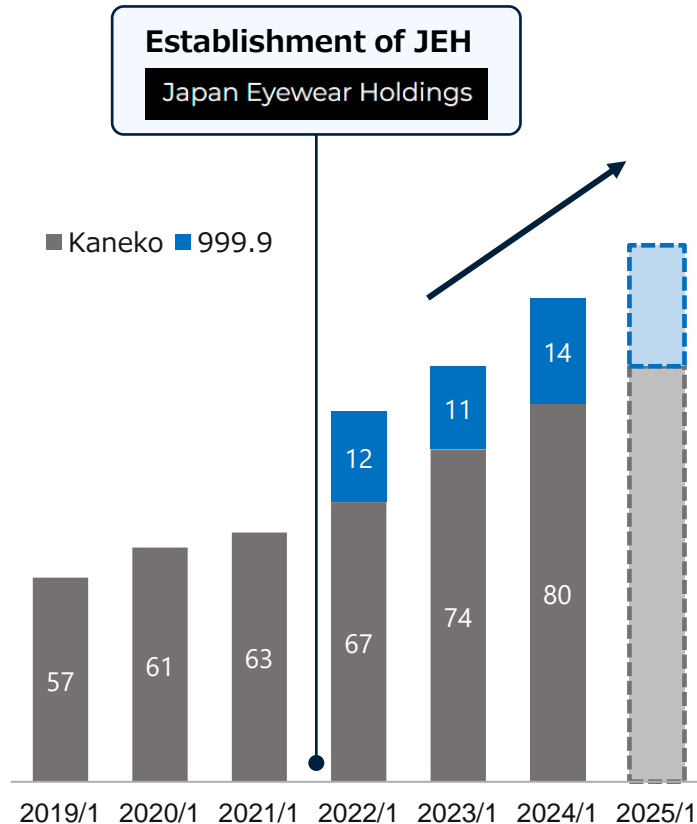
Growth Strategies

- 1** **Steady Growth Through Selected New Store Openings by Kaneko and 999.9 in Japan**
- 2** **Further Growth Potential Realized Through Acceleration of Roll Out of Global Store Network and Partnerships**
- 3** **Group Synergies Achieved Through Integration of Kaneko and 999.9**
- 4** **Further Increase in Unit Price, Driven By Branding as a Luxury Eyewear Company Created in Japan
Capture of Inbound Demand from the Recovery of Foreign Visitors**


1 Steady Growth Through Selected New Store Openings by Kaneko and 999.9 in Japan

Seek to conduct sustainable new store opening for both Kaneko and 999.9 whilst strictly selecting the location without damaging the brand image


Change in Number of Stores (1)



Targeted # of New Stores After Fiscal Year Ending January 2024



- Utilize know-how of Kaneko to strengthen direct store openings
- Seek to first open stores in urban areas with high sensitivity



- Continuously seek to open stores at roadside, department stores and shopping centers at prime locations in urban areas
- Seek to strengthen store openings in regional areas of Japan where the brand has penetrated

**Approx. 5 – 10 new store openings for both Kaneko and 999.9(2)
(net increase: several stores due to including relocations)**




Notes:
 1. Number of stores as of each fiscal year end. Number of stores for 999.9 is counted after the establishment of JEH
 2. Including relocation of existing stores in favorable neighborhood locations

2 Further Growth Potential Realized Through Acceleration of Roll Out of Global Store Network and Partnerships

Seek to further expand its store network in Greater China with high growth, whilst nurturing brand image

Overview on Global Strategy

Promote Sabae, Japan-born luxury eyewear brand to luxury-oriented overseas customers

	Status Quo / Short-term	Mid-Long Term
Target Area	Mainly in China	 Greater China and other Asia
Strategy on Store Opening	Seek to enhance brand awareness by opening direct stores at locations where brand image can be nurtured	 Accelerate store opening at prime locations in major cities at a timing where brand image has penetrated
Store Format	Open direct stores (approx. several stores)	 Consider wide ranging partnerships with global and local companies in addition to direct stores (approx. several dozen stores)

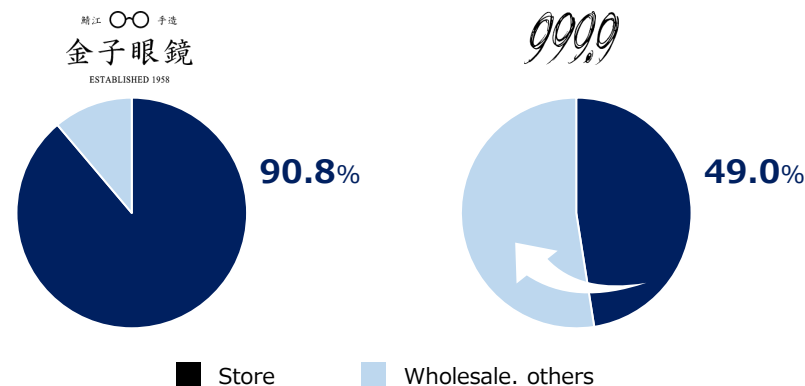
3 Group Synergies Achieved Through Integration of Kaneko and 999.9

999.9 seeks further upside by utilizing know-how from Kaneko and realizing synergies. Planning to improve profit margin by driving sales at stores with high profitability for 999.9, which has high wholesale ratio

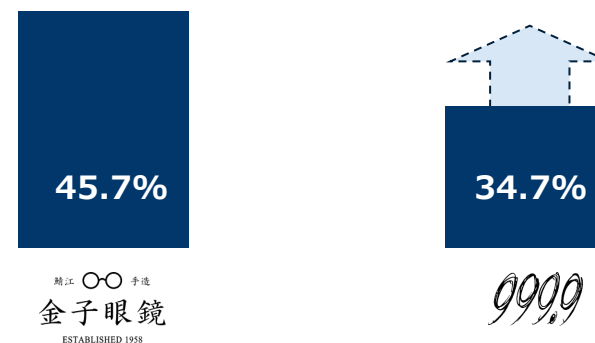
Synergies from Owning Both Kaneko and 999.9

Sales Growth 	Acceleration of Store Opening in Japan	<ul style="list-style-type: none"> Accelerate new store opening of direct stores in Japan by leveraging new store opening know-how of Kaneko
	Change in Unit Price	<ul style="list-style-type: none"> Conduct consistent change in price whilst appealing its branding to customers, which has not been aggressively implemented before
	Sustainable Supply Chain	<ul style="list-style-type: none"> Enhance sustainable product supply chain by shifting production to in-house factories
Profitability Improvement 	Decrease in COGS	<ul style="list-style-type: none"> Take advantage of scale merit by shifting outsourced products to in-house, producing products as a whole JEH group
	Decrease in SG&A	<ul style="list-style-type: none"> Decrease in cost related to management division and management / infrastructure integration

Sales Share of Kaneko and 999.9 (1)



Comparison of EBITDA Margin (1) Between Kaneko and 999.9



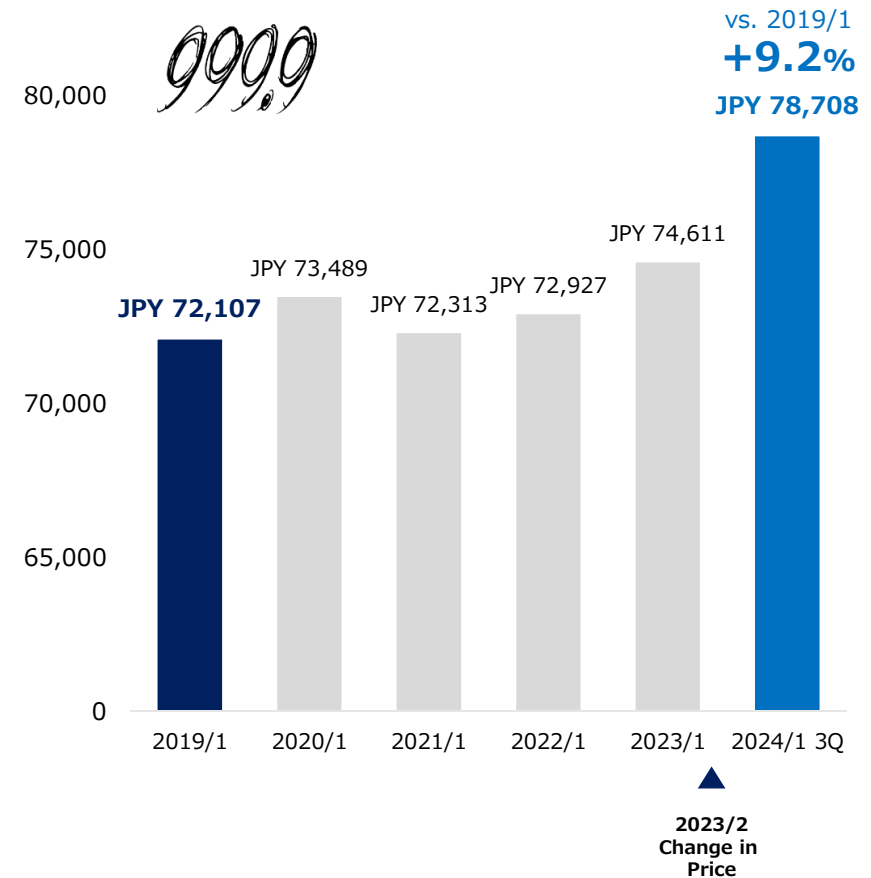
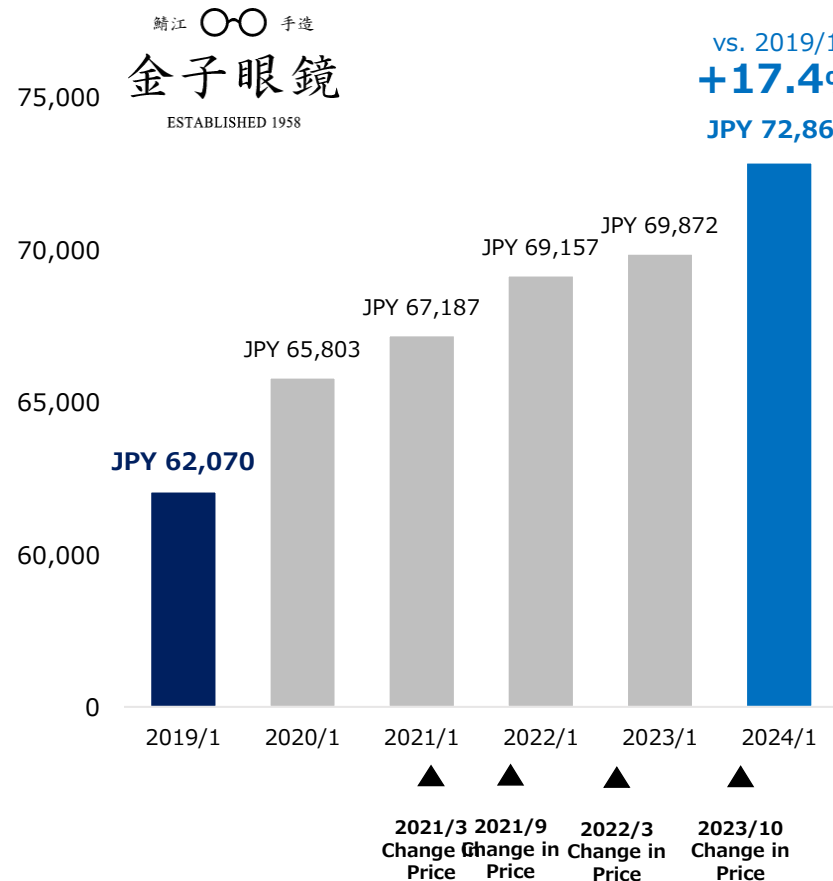
Notes:

1. As of latest fiscal year end (FY2024/1)

4 Further Increase in Unit Price, Driven By Branding as a Luxury Eyewear Company Created in Japan

Owning 2 brands with high presence in the domestic eyewear market allows further expansion of the brands as a group, via product offering of luxury eyewear products across various categories. As a result, JEH has been realizing continuous increase in unit price

Consistent Increase in Unit Price (1)



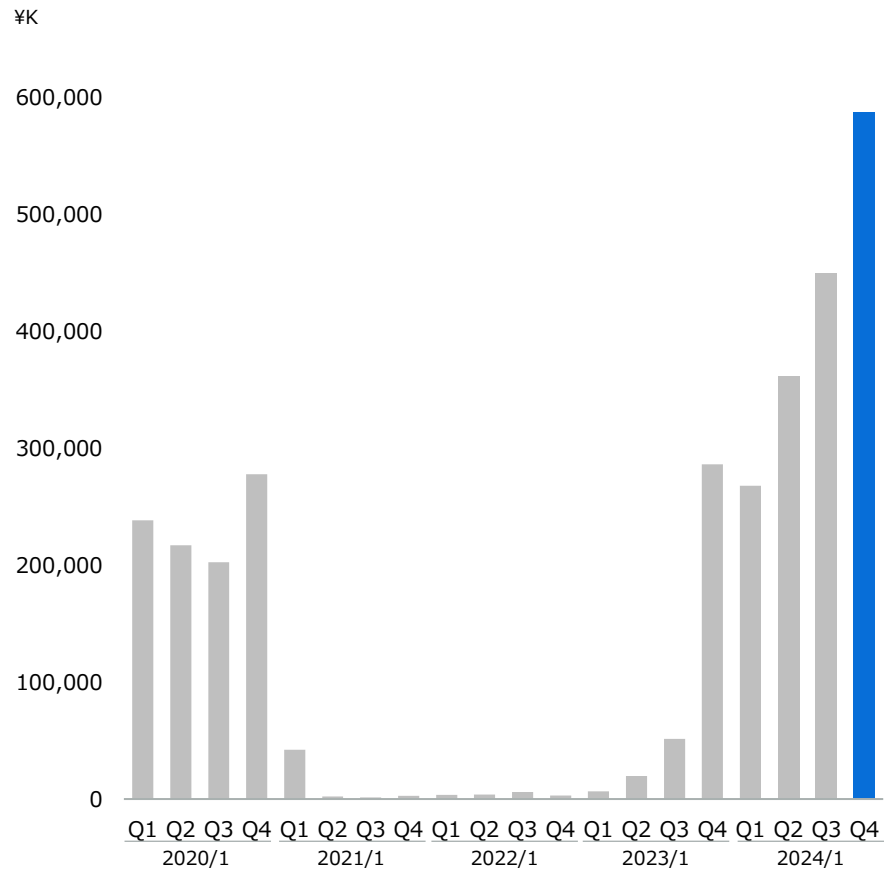
Notes:

1. Unit price refers to aggregate price of eyewear frames and lens. Aggregated every fiscal year, from February 1st until January 31st

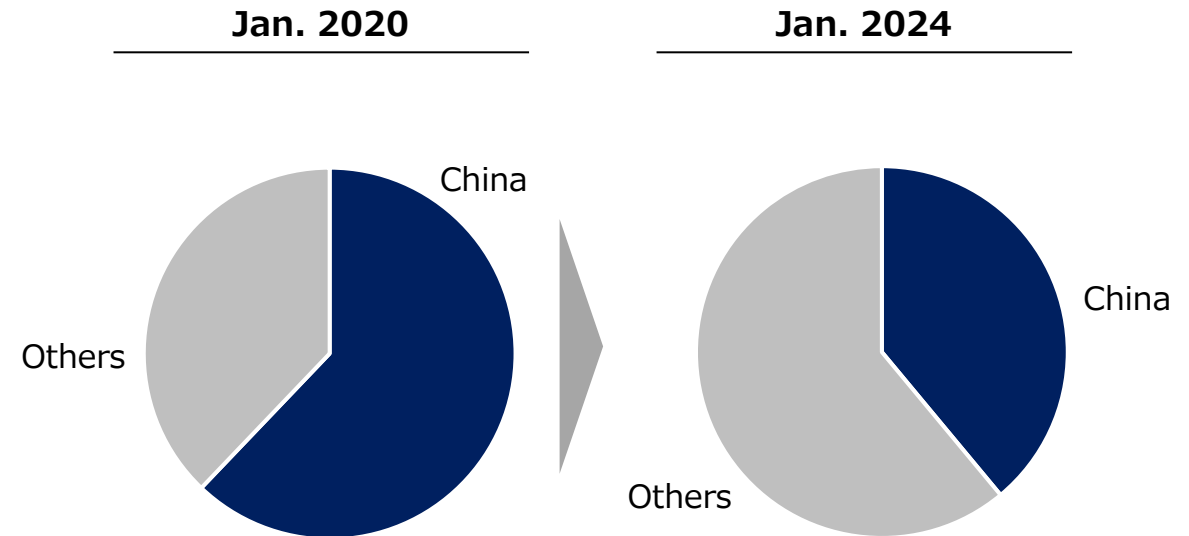
4 Capture of Inbound Demand from the Recovery of Foreign Visitors

Inbound demand has recovered to the pre-COVID-19 level. There is high expectation of further increase in inbound sales, driven by inbound tourists from China, which has not fully recovered yet

Change in Inbound Sales of JEH (1)



Inbound Sales of JEH by Region (a single month)



Notes:

1. Sales from in-bound tourists in direct stores (excl. sales via wholesalers)

03

Overview of FY2024/1 Results

FY2024/1 Initiatives



10 new stores in Japan

Opened 10 new stores in Japan (including 1 Relocation)



1st store in China

Opened 1st Chinese direct store at 376 Ferguson Lane on April, 2023



Inbound sales ¥1.7Bn

Achieved ¥1.7Bn of inbound sales by recovery of inbound demand



Further Price Increase

Conducted price increase for both brands

Executive Summary

Consolidated (IFRS)

Revenue

JPY13.5Bn

vs.FY2023/1 126.2%

Gross Margin(% of sales)

77.5 %

vs.FY2023/1 +0.9 pt

SG&A

JPY6.6Bn(49.4% vs. sales)
vs.FY2023/1 111.5%

Operating Profit

JPY3.7Bn(27.4% vs. sales)
vs.FY2023/1 166.2%

Net Income

JPY2.3Bn(17.5% vs. sales)
vs.FY2023/1 399.4%

Adjusted EBITDA

JPY5.3Bn(39.3% vs. sales)
vs.FY2023/1 145.3%

Non-consolidated

Kaneko Optical Same Store Sales

12 months **124.0 %**
Q4(3 months) **116.9 %**

Four Nines Same Store Sales

12 months **125.2 %**
Q4(3 months) **114.0 %**

Consolidated P/L

(unit: ¥MM)

(IFRS)

	FY2023	FY2024	Variance	% YoY
Revenue	10,722	13,528	2,806	126.2%
COGs	2,508	3,042	534	121.3%
Gross Margin	8,213	10,485	2,272	127.7%
SG&A	5,997	6,689	691	111.5%
Other Income/Other Expense	10	(96)	(106)	-893.8%
Operating Profit	2,226	3,700	1,473	166.2%
EBITDA	3,627	5,181	1,553	142.8%
Adjusted EBITDA	3,659	5,317	1,657	145.3%
Financing Costs	(921)	(404)	516	43.9%
Income before income taxes	1,305	3,295	1,990	252.5%
Income Taxes	713	932	219	130.7%
Net Income	591	2,362	1,770	399.4%
Adjusted Net Income	666	2,456	1,790	368.5%
Gross margin (% of sales)	76.6%	77.5%		
OP margin	20.8%	27.4%		
EBITDA margin	33.8%	38.3%		

- 注:
1. EBITDA=Operating Profit+ Depreciation + Amortization
 2. Adjusted EBITDA=EBITDA+ IPO related costs (notes 3) + M&A related costs for 999.9 (notes 4)
 3. One-time costs for IPO preparation, Advisory fee for IFRS introduction etc.
 4. M&A related costs for 999.9 were occurred in FY2022.

Consolidated P/L (vs. Guidance)

(unit: ¥MM)

(IFRS)

	FY2024/1 Guidance	FY2024/1 Result	Variance	
Revenue	13,090	13,528	438	103.3%
COGs	2,965	3,042	77	102.6%
Gross Margin	10,124	10,485	360	103.6%
SG&A	6,583	6,689	106	101.6%
Other Income/Other Expense	0	(96)	(96)	-
Operating Profit	3,541	3,700	158	104.5%
EBITDA	5,016	5,181	165	103.3%
Adjusted EBITDA	5,152	5,317	165	103.2%
Financing Costs	(431)	(404)	26	93.8%
Income before income taxes	3,110	3,295	184	105.9%
Income Taxes	1,067	932	(135)	87.4%
Net Income	2,042	2,362	319	115.7%
Adjusted Net Income	2,131	2,456	325	115.3%
Gross margin (% of sales)	77.3%	77.5%		
OP margin	27.1%	27.4%		
EBITDA margin	38.3%	38.3%		

注:
1. EBITDA=Operating Profit+ Depreciation + Amortization
2. Adjusted EBITDA=EBITDA+ IPO related costs (notes 3) + M&A related costs for 999.9 (notes 4)
3. One-time costs for IPO preparation, Advisory fee for IFRS introduction etc.
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Consolidated P/L Q4 (3months)

(unit: ¥MM)

(IFRS)

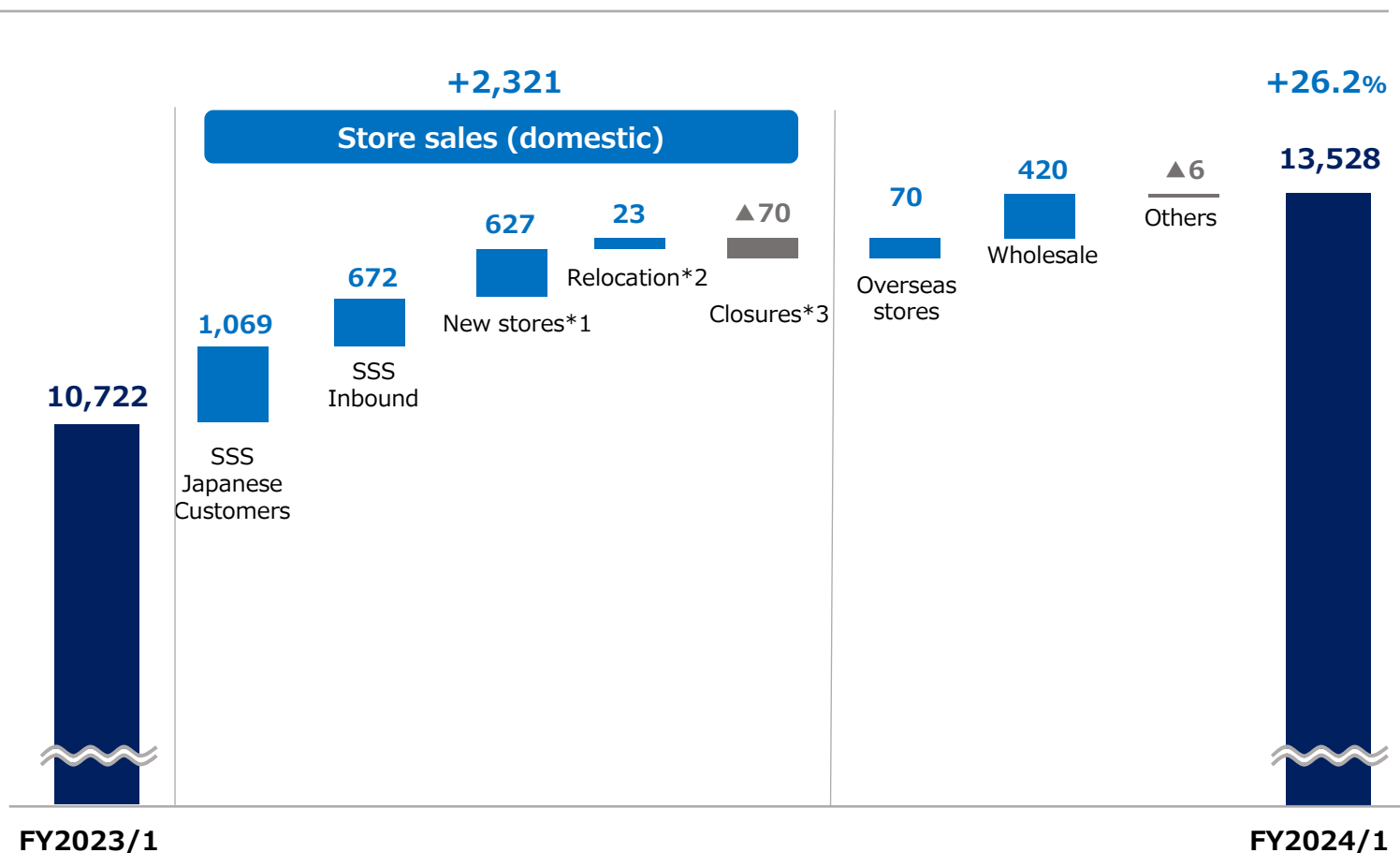
	FY2023 Q4 (Nov. - Jan.)	FY2024 Q4 (Nov. - Jan.)	Variance	% YoY
Revenue	3,141	3,839	697	122.2%
COGs	705	851	145	120.7%
Gross Margin	2,436	2,987	551	122.7%
SG&A	1,644	1,872	228	113.9%
Other Income/Other Expense	(14)	(95)	(81)	680.7%
Operating Profit	777	1,019	242	131.1%
EBITDA	1,133	1,411	278	124.5%
Adjusted EBITDA	1,140	1,459	319	128.0%
Financing Costs	(377)	(90)	287	23.9%
Income before income taxes	400	929	529	232.1%
Income Taxes	155	113	(42)	72.8%
Net Income	244	816	571	333.3%
Adjusted Net Income	279	852	573	304.7%
Gross margin (% of sales)	77.5%	77.8%		
OP margin	24.8%	26.6%		
EBITDA margin	36.1%	36.8%		

注:
1. EBITDA=Operating Profit+ Depreciation + Amortization
2. Adjusted EBITDA=EBITDA+ IPO related costs (notes 3) + M&A related costs for 999.9 (notes 4)
3. One-time costs for IPO preparation, Advisory fee for IFRS introduction etc.
4. M&A related costs for 999.9 were occurred in FY2022.

Sales FY2023/1 vs. FY2024/1

(unit: ¥MM)

(IFRS)

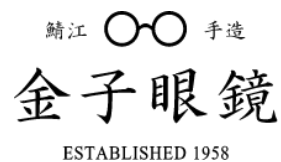


注:
 1. FY2023/1 8 new stores, FY2024/1 9 new stores
 2. FY2024/1 1 relocation
 3. FY2023/1 2 closures

Sales by channel

(IFRS)

(unit: ¥MM)



	FY2023/1	FY2024/1	Var.	
Store sales	5,906	7,826	1,920	132.5%
Wholesales (Domestic)	188	248	59	131.3%
Wholesales (Overseas)	527	522	▲ 5	99.0%
Others	27	26	▲ 1	95.5%
Sub-total	6,650	8,623	1,972	129.7%



	FY2023/1	FY2024/1	Var.	
Store sales	1,933	2,405	471	124.4%
Wholesales (Domestic)	1,595	1,736	140	108.8%
Wholesales (Overseas)	534	761	226	142.4%
Others	7	3	▲ 4	41.0%
Sub-total	4,072	4,905	833	120.5%
Total	10,722	13,528	2,806	126.2%

Consolidated SG&A

(IFRS)

(unit: ¥MM)

		FY2023	FY2024	Variance	% YoY
SG&A		5,997	6,689	691	111.5%
	vs. Sales	55.9%	49.4%	- 6.5Pt	-
Labor		2,589	2,717	128	105.0%
	vs. Sales	24.2%	20.1%	- 4.1Pt	-
Depreciation		1,354	1,433	79	105.9%
	vs. Sales	12.6%	10.6%	- 2.0Pt	-
Rent		525	717	192	136.6%
	vs. Sales	4.9%	5.3%	0.4Pt	-
Advertising		66	56	(9)	85.1%
	vs. Sales	0.6%	0.4%	- 0.2Pt	-
Others		1,462	1,764	302	120.7%
	vs. Sales	13.6%	13.0%	- 0.6Pt	-

Consolidated SG&A Q4 (3months)

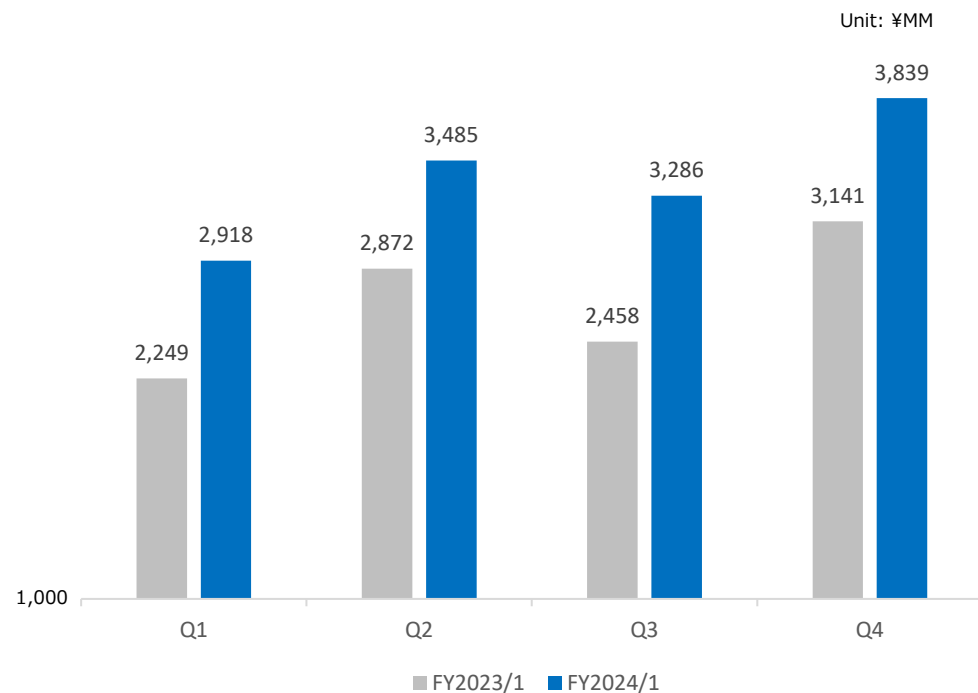
(IFRS)

(unit: ¥MM)

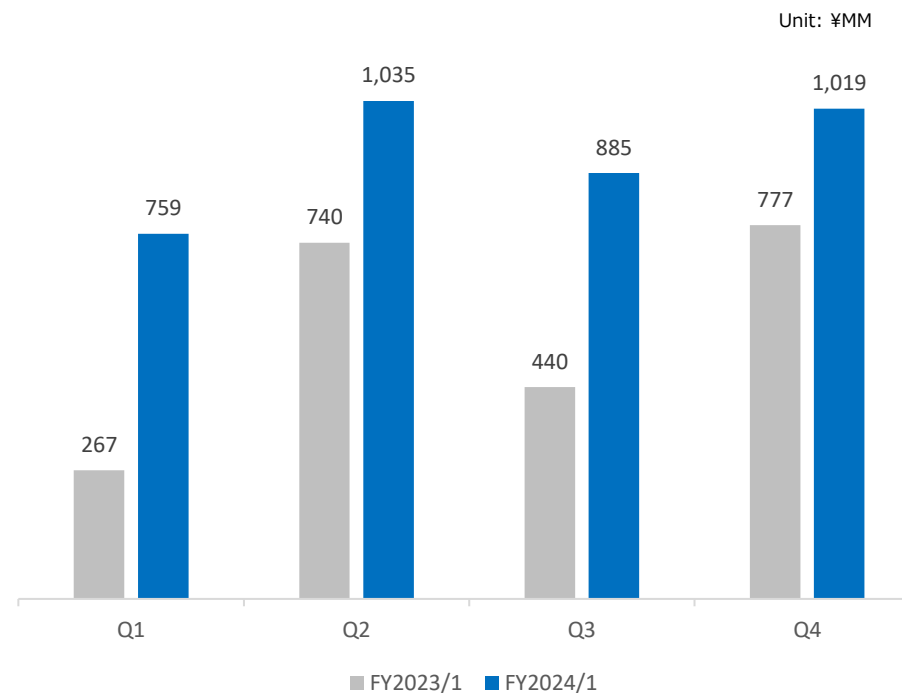
		FY2023 Q4 (Nov. - Jan.)	FY2024 Q4 (Nov. - Jan.)	Variance	% YoY
SG&A		1,644	1,872	228	113.9%
	vs. Sales	52.3%	48.8%	- 3.6Pt	-
Labor		668	730	61	109.2%
	vs. Sales	21.3%	19.0%	- 2.3Pt	-
Depreciation		344	379	35	110.4%
	vs. Sales	11.0%	9.9%	- 1.1Pt	-
Rent		159	197	38	124.0%
	vs. Sales	5.1%	5.1%	0.1Pt	-
Advertising		16	19	3	119.3%
	vs. Sales	0.5%	0.5%	- 0.0Pt	-
Others		455	545	90	119.8%
	vs. Sales	14.5%	14.2%	- 0.3Pt	-

Quarterly Trends

Revenue



Operating Profit



Consolidated BS

(IFRS)

(unit: ¥MM)

	As of Jan. 31 , 2023	As of Jan. 31 , 2024	Variance	% YoY
Total Assets	31,170	34,766	3,595	111.5%
Composituion ratio	100.0%	100.0%	-	-
Current Assets	4,585	7,240	2,654	157.9%
Composituion ratio	14.7%	20.8%	-	-
Non-current Assets	26,585	27,526	940	103.5%
Composituion ratio	85.3%	79.2%	-	-
Current Liabilities	4,144	4,293	148	103.6%
Composituion ratio	13.3%	12.3%	-	-
Non-current Liabilities	17,945	17,202	(743)	95.9%
Composituion ratio	57.6%	49.5%	-	-
Equity	9,081	13,270	4,189	146.1%
Composituion ratio	29.1%	38.2%	-	-
Bank Loan	14,800	13,850	(950)	93.6%
Inventories	1,313	1,497	183	114.0%

Consolidated CF

(IFRS)

(unit: ¥MM)

	FY2023	FY2024	Details	
Operating Cash Flow(sub-total)	3,570	4,838		
Operating Cash Flow	2,936	3,446	Income before income taxes	+ 3,295
			Depreciation	+ 1,481
			Decrease (Increase) in inventories	(183)
			Income taxes paid	(1,044)
Investing Cash Flow	(380)	(904)	Acquisition of property, plant and equipment	(771)
			Payments of lease deposits and guarantee deposits	(140)
Financing Cash Flow	(2,585)	(388)	Proceed from issuance of shares	+ 1,780
			Repayment of borrowings	(950)
			Repayment of lease liabilities	(1,218)
Cash and Cash equivalents at the end of the period	2,209	4,426		

Stores Opened / Closed

Results	New Opening	11	Closed / Relocation	1	# of stores as of Jan.2024	98
Plan	New Opening	12	Closed / Relocation	1	# of stores as of Jan.2024	99

	# of stores end of Jan, 2023	Result			# of stores end of Jan, 2024	Plan		
		New Opening	Closed / Relocation			New Opening	Closed / Relocation	# of stores end of Jan, 2024
Kaneko Optical	74	7	1	80	8	1	81	
KANEKO FRANCE SARL	2	-	-	2	-	-	2	
kaneko Shanghai	0	1	-	1	1	-	1	
Four Nines	11	3	-	14	3	-	14	
FOUR NINES SINGAPORE PTE.LTD.	1	-	-	1	-	-	1	
Total	88	11	1	98	12	1	99	

Stores Opened / Closed (details)

		New / Close	The name of the store
Kaneko Optical	Mar.	New	Kaneko, Tokyo Mid-town Yaesu
	Jul.	New	Kaneko, Moyuk Sapporo
	Aug.	Close (relocation)	KANEKO OPTICAL Aeon Mall KYOTO
	Sep.	New	KANEKO OPTICAL Lalaport Ebina
	Oct.	New (relocation)	Kaneko, Kyoto Takashimaya SC
	Oct.	New	Kaneko, Daikanyama
	Nov.	New	Kaneko, Azabudai- hills
	Dec.	New	KANEKO OPTICAL Lalaport Fujimi
Four Nines	Sep.	New	999.9, Kobe Hankyu
	Nov.	New	999.9, Kyoto Gion
	Nov.	New	999.3, Shin-marunouchi Bldg.
kaneko Shanghai	Apr.	New	Kaneko, 376 Feeguson Lane

New Stores

November, 2023 Kaneko, Azabudai Hills



November, 2023 999.9, Shin-Marunouchi Bldg.



April, 2023
Kaneko, Shanghai



November, 2023 Kaneko, Daikanyama



November, 2023 999.9, Kyoto Gion



04

Over View of FY2025/1 Plan

FY2025/1 Initiatives

鯖江 手造
金子眼鏡
ESTABLISHED 1958

999.9

- 1 More than 8 new stores in Japan (including 3 Relocations)**
- 2 More than 1 new store opening in China**
- 3 Inbound sales : ¥1.9Bn (+14% vs. FY2024)**
- 4 Further price increase for both Kaneko and 999.9**
- 5 Continuing strict cost control.**

Guidance

(unit: ¥MM)

(IFRS)

	FY2024/1	FY2025/1	Variance	% YoY
Revenue	13,528	14,960	1,431	110.6%
COGs	3,042	3,360	317	110.4%
Gross Margin	10,485	11,600	1,114	110.6%
SG&A	6,689	7,312	622	109.3%
Other Income/Other Expense	(96)	12	108	-12.5%
Operating Profit	3,700	4,300	599	116.2%
EBITDA	5,181	5,900	718	113.9%
Financing Costs	(404)	(400)	4	98.8%
Income before income taxes	3,295	3,900	604	118.3%
Income Taxes	932	1,220	287	130.8%
Net Income	2,362	2,680	317	113.4%
Gross margin (% of sales)	77.5%	77.5%		
OP margin	27.4%	28.7%		
EBITDA margin	38.3%	39.4%		

1. EBITDA=Operating Profit+Depreciation+Amortization

Dividend Policy

As for shareholder return, we fundamentally plan to conduct stable dividend payment, providing steady shareholder return at **the payout ratio target of 40%**.

We expect to conduct dividend at the level half of the payout ratio for this fiscal year end, given that we will not conduct the mid-term dividend.

However, as for the next fiscal year end, we expect to conduct at the payout ratio target of 40%.

Dividend per share

FY2024/1 ¥ 19

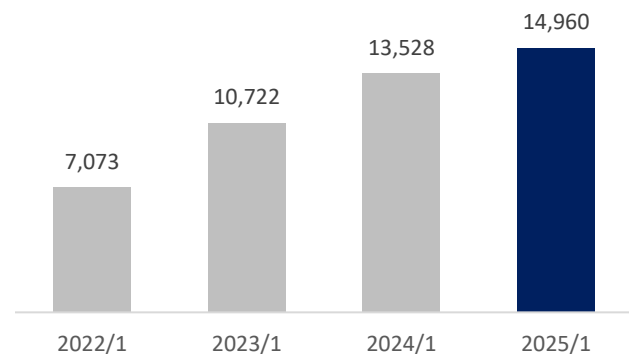
FY2025/1 ¥ 44(Forecasted)

Appendix

Key Financials

Sales

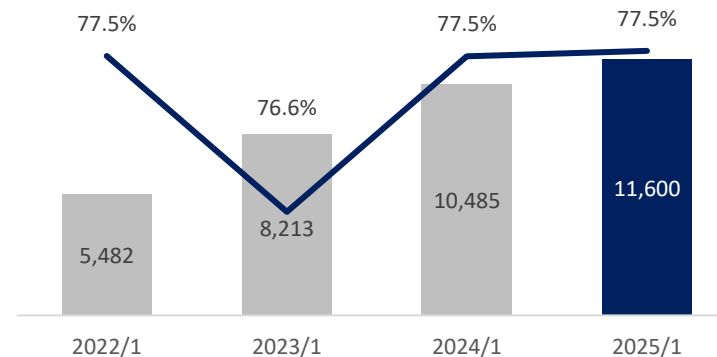
JPY MM



Gross Profit

JPY MM

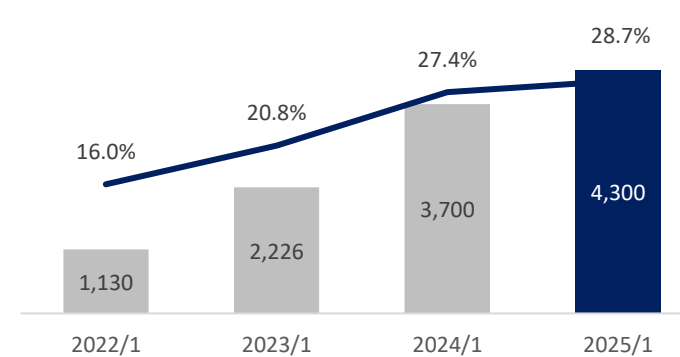
% Sales margin



Operating Income

JPY MM

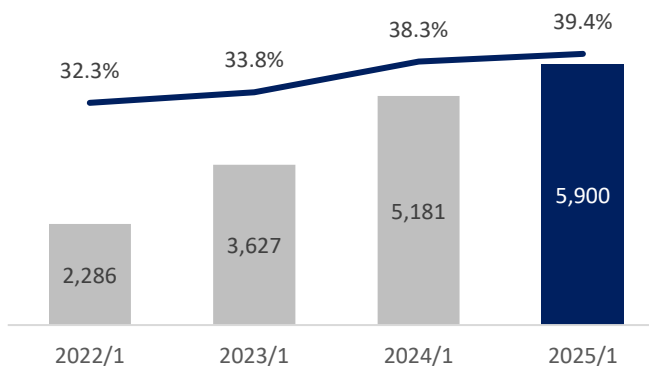
% Sales margin



EBITDA (2)

JPY MM

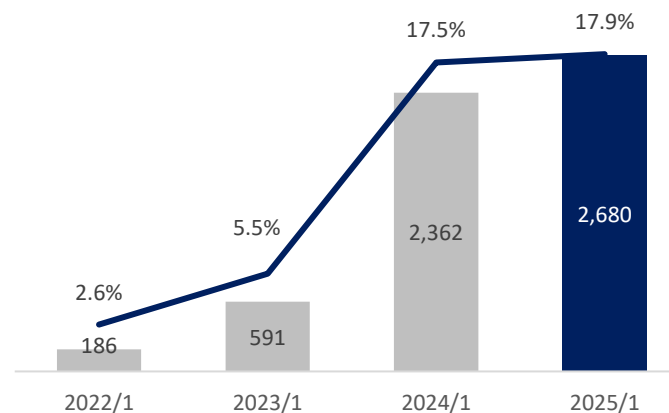
% Sales margin



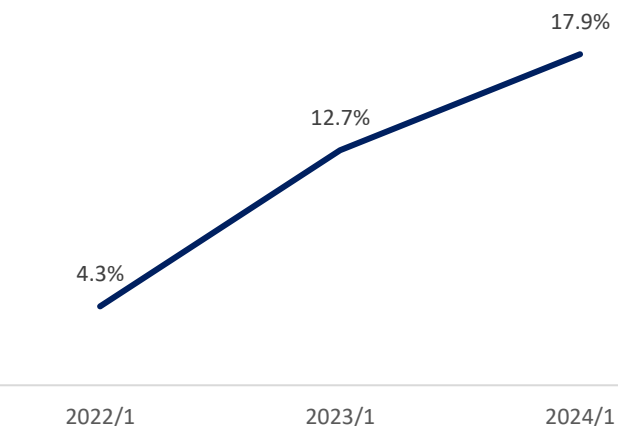
Net Income

JPY MM

% Sales margin



ROE (3)



Notes:

1. Based on IFRS
2. EBITDA=Operating Income+ Depreciation + amortization of identifiable assets
3. Net Income / (common stock + capital surplus + retained earnings) (as of fiscal year end)

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