

If you can not see this quote, please wear JINS.

Where there is a will, there is a way.

by Abraham Lincoln

The 36th  
Ordinary General Meeting  
Of Shareholders

第36回定時株主総会招集ご通知  
2023年11月29日(水)  
株式会社ジンスホールディングス  
証券コード 3046

**J!NS**

Magnify Life

JINS encourages people  
to change the way they view the world,  
to enrich their lives and unlock new experiences.  
We look for the unseen, create new standards,  
and think beyond glasses;  
to Magnify Life.

Note: This document is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

## To Shareholders with Voting Rights

Securities Code 3046  
November 14, 2023

Hitoshi Tanaka  
CEO and Representative Director  
JINS HOLDINGS Inc.  
26-4 Kawaharamachi 2-chome,  
Maebashi-shi, Gunma  
(Measures for electronic  
provision start on: November 7,  
2023)

## NOTICE OF THE 36TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our sincere gratitude for your continued support and patronage.

We hereby notify you that the 36th Annual General Meeting of Shareholders of the Company will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision, and matters to be provided electronically are posted on the Company's website on the Internet.

The Company's website:

<https://jinsholdings.com/jp/en/ir/library/stockholdersmeeting/>

Matters to be provided electronically are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search), enter the issue name (JINS HOLDINGS) or the stock exchange code (3046) (single-byte) to search, and select "Basic information" and then "Documents for public inspection/PR information" to confirm the information.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are not attending the meeting in person, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders described in matters to be provided electronically, and exercise your voting rights by 6:30 p.m., Tuesday, November 28, 2023 in accordance with the Guide to Exercising Voting Rights in Advance on page 3.

**Date and Time:** Wednesday, November 29, 2023, at 10:00 a.m. (Reception opens at 9:00 a.m.)

**Place:** 2nd floor, Yasuda Sequence Tower, 3-1 Kandanishiki-cho, Chiyoda-ku, Tokyo  
(The venue is different from that of the previous year. Therefore, please refer to the venue map for the General Meeting of Shareholders at the end of the Japanese original to arrive at the right location.)

**Agenda of the Meeting:**

- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the 36th term (from September 1, 2022 to August 31, 2023) and the results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
  2. The Non-Consolidated Financial Statements for the 36th term (from September 1, 2022 to August 31, 2023)

**Proposals to be resolved:**

**Proposal:** Dividends of Surplus

1. No souvenirs will be offered to shareholders at the 36th Annual General Meeting of Shareholders. We appreciate your understanding.
2. When attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception.
3. Any revisions to matters to be provided electronically will be provided on each website listed above.

4. The paper copy sent to shareholders who requested the delivery of such paper copy does not contain the following items in accordance with laws and regulations as well as Article 15 of the Company's Articles of Incorporation. The following items constitute part of documents audited by the Auditors and the Accounting Auditor in preparing their respective audit reports.
- Notes to Consolidated Financial Statements
  - Non-Consolidated Financial Statements (Non-consolidated Balance Sheets, Non-consolidated Statements of Income, Non-consolidated Statements of Changes in Net Assets, Notes to Non-consolidated Financial Statements)
  - The Accounting Auditor's Report on Non-Consolidated Financial Statements

## **Guide to Exercising Voting Rights in Advance**

Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights. The following two methods are available for the exercise of voting rights in advance.

### **TYPE A**

#### **Exercising voting rights in writing**

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and return the form so that it arrives by the exercise deadline.

If there is no indication of a vote for or against each proposal on the Voting Rights Exercise Form, it shall be treated as an indication of intention to vote for the proposal.

**Exercise deadline: 6:30 p.m. on Tuesday, November 28, 2023**

### **TYPE B**

#### **Exercising voting rights via the Internet**

- 1) By scanning a QR Code (Smart Exercise) or
- 2) By entering an ID / password

\* Please refer to the following page for details.

**Exercise deadline: 6:30 p.m. on Tuesday, November 28, 2023**

## Guide to Exercising Voting Rights via the Internet

When exercising voting rights via the Internet, please take note of the following.

### Method (1)

#### Scanning a QR Code (Smart Exercise)

1. Please scan the QR Code® shown at the bottom-right corner of the enclosed Voting Rights Exercise Form with your smartphone to access Smart Exercise, and follow the on-screen instructions to enter your votes. (No IDs or passwords are required)
2. You may exercise your voting rights via Smart Exercise only once. If you wish to amend your votes, please use the following method for entering an ID and password.

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

### Method (2)

#### Entering ID and password

1. Please access the Voting Rights Exercise Website at the following URL, log in with the Voting Rights Exercise Code and password shown on the enclosed Voting Rights Exercise Form, and follow the on-screen instructions to enter your votes. For security purposes, you will be required to change your password when you log in for the first time.

<https://soukai.mizuho-tb.co.jp/>

2. Passwords (including those set by shareholders) are valid only for this General Meeting of Shareholders.

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### If you exercise your voting rights more than once

- If you exercise your voting rights more than once both in writing and via the Internet, the exercise of voting rights via the Internet shall be deemed valid.
- If you exercise your voting rights multiple times via the Internet, the latest exercise shall be deemed valid.

### Other notes

- Shareholders will be responsible for the Internet-related expenses (e.g.: Internet service provider fees, communication charges).
- Please note that, while you may exercise your voting rights in advance in writing or via the Internet, if you attend the meeting in person, the advance exercise shall be deemed withdrawn.

### Enquiries

Internet Help Desk, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

**Tel: 0120-768-524 (Toll free)**

Business hours: 9:00 a.m. – 9:00 p.m. (closed on year-end and New Year's holidays)

(Shareholders Only) Guide to Live Streaming of the 36th Annual General Meeting of Shareholders via the Internet

Only for our shareholders, the Company will live stream the General Meeting of Shareholders via the Internet.

1. Streaming date: From 10:00 a.m., Wednesday, November 29, 2023 to the conclusion of the meeting  
\* Please understand that some delays may occur due to the communication environment or other reasons.

2. Viewing method:  
URL for connection: Stated in the notice of the meeting which is sent by mail to shareholders.

- Please enter the above URL or scan the QR code and follow the guidance on the page to access the live stream page.
- The ID and password shown below are required to access the live stream page.

ID	Stated in the notice of the meeting which is sent by mail to shareholders.
Password	Stated in the notice of the meeting which is sent by mail to shareholders.

3. Notes on viewing the live streaming
  - (i) Please note that depending on the environment of your device or the Internet connection, you may not be able to view the live streaming or other problems with video or audio may arise.
  - (ii) Shareholders will be responsible for communication charges, etc. for viewing the live streaming.
  - (iii) Shareholders viewing the live streaming are not considered to be attending this General Meeting of Shareholders under the Companies Act and therefore, not able to exercise the voting rights on the day of the meeting. In addition, asking questions, making comments, or making a motion is not permitted during the meeting. Accordingly, if viewing the live streaming, you are advised to exercise your voting rights in advance in writing or via the Internet.
  - (iv) We accept questions in advance via the Internet.
  - (v) You are not allowed to record, film, save, or provide or disclose the live streaming to a third party. Also, you are asked to refrain from disclosing the URL for connection and your ID and password externally.

4. FAQ and answers

Q1: I cannot access the URL.

⇒ You may have incorrectly entered the URL. If using a smartphone or tablet, you are advised to access the website via the QR code shown in the notice of the meeting.

Q2: I cannot view the live streaming or it stopped playing.

⇒ When using a PC, we recommend Google Chrome for viewing. Please note that you may not view the streaming depending on your Web browser.

⇒ There will be no re-streaming after the live streaming.

Q3: I lost the notice of the meeting and cannot access the live streaming.

⇒ Please ask by e-mail to [toiawase@jins.com](mailto:toiawase@jins.com) with your shareholder number, name and address by 3:00 p.m., Tuesday, November 28, 2023.



(Shareholders only) Acceptance of Advance Questions

We will accept questions from shareholders in advance on the following website.

URL for connection	Stated in the notice of the meeting which is sent by mail to shareholders.
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\* For accessing the advance question page, you are required to enter the questionnaire code below.

Questionnaire code	Stated in the notice of the meeting which is sent by mail to shareholders.
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Question acceptance deadline: 6:00 p.m., Wednesday, November 22, 2023

Among the questions accepted in advance, matters of high interest to shareholders will be answered at the General Meeting of Shareholders. However, please understand that we will not answer individual questions.

## Reference Documents for the General Meeting of Shareholders

### Proposal: Dividends of Surplus

The Company proposes to pay dividends of surplus as follows.

Matters regarding the year-end dividend

Recognizing that a mid- to long-term increase of shareholder value is its most important mandate, the Company pays interim and year-end dividends according to its first- and second-half results 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. Based on this policy, the Company paid ¥13 per share as an interim dividend. Regarding year-end dividends, the Company proposes to pay ¥25 share, applying a consolidated dividend payout ratio of 30% to the amount of profit attributable to owners of parent for the second half excluding the impact of previous investment losses.

Details of the year-end dividend are as follows.

1. Type of dividend property  
Cash
2. Matters concerning the allotment of dividend property and the total amount thereof  
The Company proposes ¥25 per share of the common stock  
In this case, the total amount of dividends would be ¥583,503,350.
3. Effective date of dividends of surplus  
November 30, 2023

**JINS**  
**36th Term Topics**  
**Products and Services**

December 2022

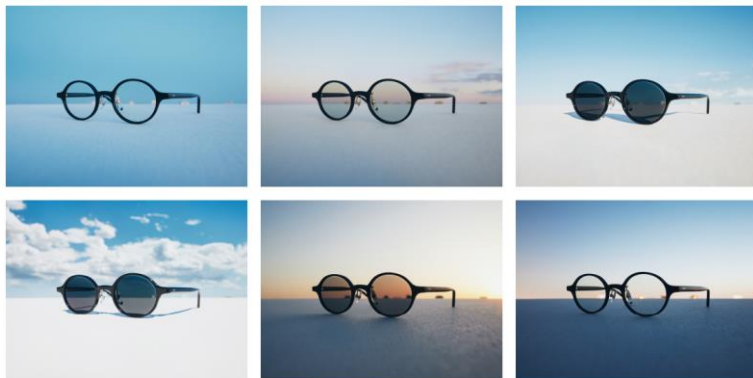
**New functional lenses launching successively!**



In December 2022, we launched “JINS Muteki Coating” with the sturdiest lens coating in JINS’ history that are resistant to damage and JINS ultrathin lenses with the world’s highest refractive index\*. We offer high-spec lenses solving troubles for eye-glass users with surprising prices.  
 \* Plastic lens only

**太陽光を操る**

**レンズ。**



**可視光調光**  
**レンズ**

In July 2023, we released photochromic lenses that darken or lighten in reaction to ultraviolet and visible light. The color of the lenses changes even inside a car, making it suitable for driving.

February 2023

“JINS SAUNA” eyeglasses which can be used on land and in saunas



We released the “JINS SAUNA” series on “Bath Day” in Japan (February 6). These eyeglasses are for land and sauna use, instead of land and water use, which can be used in daily life as well as in saunas. It became popular among people who love saunas and received many responses.

May 2023

Introducing lockers for picking up eyeglasses



The Japan’s first\* “PICK UP LOCKER” for picking up eyeglasses has been introduced in some stores. Customers can receive new eyeglasses anytime during store opening hours, reducing wasteful waiting time.  
\* Surveyed by JINS

June 2023

JINS × SNOW PEAK PT. 2



The long-awaited new items were introduced from the “JINS × Snow Peak” series that were sold out in many places in 2021 and resold in the following year. We offered four series in total such as new rough and cool titanium-like items which were inspired from Snow Peak’s popular “Titanium Mug.”

July 2023

Launching “BE BOLD” with the thickest frame in JINS’ history



We released “BE BOLD” eyeglasses with the thickest frame in JINS’ history, featuring airy fitting with light-weight plastic materials. Mr. Wataru Ichinose who played the role of Enno in a movie “Sanctuary: Seiiki,” attracting a lot of attention, was employed for visual promotion.

**JINS**  
**36th Term Topics**  
**Corporate Information**

March 2023

“AA” rating in the “MSCI ESG Ratings”

**MSCI**  
 ESG RATINGS



CCC	B	BB	BBB	A	<b>AA</b>	AAA
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We received an “AA” rating in the “MSCI ESG Ratings,” which rate companies worldwide in terms of ESG initiatives and information disclosure.

May 2023

JINS Tokyo head office relocated to Kanda



The Tokyo head office was relocated from Fujimi, Chiyoda-ku (Idabashi) to Kandanishiki-cho, Chiyoda-ku. It has begun operations with a venture mindset at the new office that boosts creativity under a concept of “creating, while breaking.”

April 2023

“ONCA COFFEE” opened



We launched a new roastery and coffee shop business. The first store of “ONCA COFFEE” opened in Maebashi and in the same month, the second store opened in the Tenjin area, Fukuoka-shi, our starting point where we opened the first JINS store.

June 2023

Increase in basic wage and revision in the number of annual leaves and holidays



We increased the basic wage and revised the number of annual leaves and holidays for regular employees at our stores. We will strengthen the competitive edge at stores which are the cornerstone of customer experience and make efforts to create the working environment ensuring the wellbeing of employees.

February 2023

### Shanghai Hongyi International Plaza Branch reopened after renovation



We renovated the store, eight years after an earlier renovation in October 2015. A Japanese artist in Shanghai has taken charge of plant design in the store.

May 2023

### Cherry tree planting activity held four years after the last one in Shanghai



We began planting cherry trees in 2019 in cooperation with Tongji University in Shanghai. This activity was resumed four years after it was suspended under the COVID-19 pandemic.

June 2023

### “rim of jins” opened the first overseas store



“rim of jins” which operates in Japan entered Taiwan and opened the first overseas store at LaLaport TAICHUNG.

July 2023

### Received a Gold in the 2023 Best Service in Taiwan



JINS Taiwan received the gold prize in the Glasses section of The Best Service in Taiwan. This is the fourth time since we received the gold prize in the Glasses section as the first Japanese company in 2018.

## **Business Report**

Fiscal year ended August 31, 2023 (September 1, 2022 to August 31, 2023)

### **Current State of the Corporate Group**

#### **(1) Business progress and results**

During the fiscal year ended August 31, 2023 (September 1, 2022 to August 31, 2023), the Japanese economy experienced continued periodic increases and decreases in the number of infected people with the novel coronavirus disease (COVID-19). However, since May, with the recent trend of a decrease in the number of cases, the impact from the pandemic has been diminishing following the reclassification of COVID-19 under the Infectious Diseases Act. In addition, personal consumption such as traveling and eating out is gradually recovering in spite of continuous inflation caused by a surge in raw material prices and currency movement due to the situation in Ukraine 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 were implemented intermittently until early December, 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 raw materials and others, 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 and 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 ¥60 million for the fiscal year ended August 31, 2023.

In terms of store development, the number of eyewear stores as of August 31, 2023, was 713, including 473 stores in Japan and 240 stores overseas (172 in China, 55 in Taiwan, 9 in Hong Kong, and 4 in the United States).

As a result, for the fiscal year ended August 31, 2023, the Company posted net sales of ¥73,264 million (up 9.5% year-on-year) partly thanks to a rebound from the previous year affected by COVID-19 and the impact of new store openings. Operating profit was ¥4,847 million (up 46.2% year-on-year) due to an increase in net sales and a reduction in SG&A expenses including advertising expenses, ordinary profit was ¥3,739 million (down 1.3% year-on-year) due to the recording of loss on investments in an equity-method affiliate, and profit attributable to owners of parent was ¥1,762 million (up 134.6% year-on-year).

## Domestic Eyewear Business

In the domestic eyewear business, we revised selling prices starting from standard products including the “JINS CLASSIC” series and “STANDARD” series which were renewed for the first time in approximately seven years and, after mid-November, 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, as opportunities to go out have increased, we saw strong sales of optional lens suitable for outdoor use including color lenses with increased variations and visible-light photochromic lenses that change color density depending on ultraviolet rays and visible light. Thanks mainly to these factors, net sales remained steady.

## Overseas Eyewear Business

In the overseas eyewear business, 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 a significant impact on the recent business performance.

In Taiwan, the impact of COVID-19 was minimal and business performance was 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 performance expanded mainly through new store openings. However, the recent business performance was affected by the economic slowdown in China.

Meanwhile, membership of the JINS app reached approximately 13.72 million people as of the end of August 2023.

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.

In terms of store development, the number of stores in Japan was 473 (31 openings and 22 closures). As a result, net sales of the domestic eyewear business were ¥56,144 million (up 5.3% year-on-year), and segment operating profit was ¥4,464 million (up 12.5% year-on-year).

In the United States, we closed an unprofitable store at the end of the previous fiscal year, and 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 240 as of the end of the period under review, including 172 stores in China (5 openings and 7 closures), 55 in Taiwan (8 openings and 2 closures), 9 in Hong Kong (2 openings and no closures), and 4 in the United States (no openings and 2 closures). As a result, net sales of the overseas eyewear business were ¥17,119 million (up 25.9% year-on-year), and segment operating profit was ¥382 million (segment operating loss was ¥651 million for the same period of the previous year).



Net sales by business segment are as follows.

Business name / term	36th term (Fiscal year ended August 31, 2023; fiscal year under review)		
	Amount	Percentage to the Company's net sales	Year-on-year change
Domestic eyewear business	¥56,144 million	76.6%	5.3%
Overseas eyewear business	¥17,119 million	23.4%	25.9%
<b>Total</b>	<b>¥73,264 million</b>	<b>100.0%</b>	<b>9.5%</b>

## (2) Financing

On August 26, 2022, the Company entered into loan commitment agreements totaling ¥8.0 billion with counterparty banks and has continued the same agreement to flexibly and stably procure working capital and funding for capital investments mainly for new store openings.

## (3) Capital investment

Capital investment during the fiscal year under review included new store openings and store renovations, and the total amount of capital investment including leasehold and guarantee deposits amounted to ¥4,985 million. The breakdown by business segment is as follows.

[Domestic eyewear business]

The Group conducted investments totaling ¥3,388 million including leasehold and guarantee deposits for opening 31 new stores and renovating 14 stores, namely JINS Mina Tenjin and other eyewear specialty stores.

[Overseas eyewear business]

The Group conducted investments totaling ¥1,596 million including leasehold and guarantee deposits for opening 15 new stores and renovating 15 stores, namely eyewear specialty stores outside of Japan.

## (4) Business transfers, absorption-type company splits, or incorporation-type company splits

Not applicable.

## (5) Receiving business transfers from other companies

Not applicable.

## (6) Succeeding rights and obligations of businesses of other entities from absorption-type mergers or absorption-type company splits

Not applicable.

## (7) Acquisitions or disposals of shares, equities, or share acquisition rights of other companies

The Company acquired a majority of the total voting rights of Yamato Technical Co., Ltd. in October 2022 and then, made it a wholly-owned subsidiary by acquiring all shares thereof in June 2023.

## (8) Issues to be addressed

Priority issues to be addressed by the Group in achieving its mid- to long-term management strategies are as follows.

### 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 will work on stably and continuously developing and offering products that fit the needs of our customers by maintaining two-way communication with them, for example, promoting a joint project to develop an eyeglass-shaped, violet-light-emitting medical device designed to suppress progress of myopia as part of our initiatives to realize a “world free from myopia.”



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### 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 overseas 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.

To address this situation, by making Fukui-based Yamato Technical a subsidiary, we diversify our manufacturing bases, aiming to expand product manufacturing in Japan that is the Group’s principal sales base, while working to shorten the lead time for delivery to storefronts.



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### 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 suburbs to promote diversification of our locations. However, we recognize that developing stores in tune with the diversification in locations and merchandising is an important issue, because we previously developed stores using a single format.

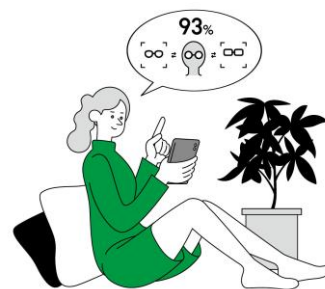
Therefore, as in the past, we will continue to open stores in areas where we have not yet opened stores or on roadsides in suburbs. At the same time, we will scrap and build stores, by which small stores narrow in size are rebuilt into highly productive establishments with enough floor space to offer sufficient services and product lineups and an optimal buying experience to customers in order to further reinforce our store base.



## 4. Promoting digitalization

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, non-face-to-face commercial transactions such as online stores and delivery businesses are expanding.

Amid this environment, we are working on efforts to combine the benefits of both brick-and-mortar stores and online stores by making use of the strengths of brick-and-mortar stores such as customer service and inviting atmospheres while also further pushing sales through e-commerce websites and the use of mobile apps. Also, the Company will offer a highly convenient purchasing experience that incorporates state-of-the-art digital technologies, including technology for virtually trying on glasses and augmented reality (“AR”) solutions held by Fittingbox S.A., a French digital eyewear company with which the Company formed a capital and business alliance, to meet the needs of our customers. In addition to interaction with our customers, we aim to turn product management and performance management operations at headquarters into advanced digitalized forms as we strive to enhance productivity through optimization and increased efficiency.



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## 5. Promoting global development

While promoting global development is important for the Group to continue achieving sustainable growth, we recognize that we do not have sufficient human resources to expand our overseas business.

Going forward, we will actively hire personnel who are well-versed in overseas business and enhance market environment surveys and management control. In addition to this, we will accelerate the employment of global personnel who are not bound by existing business development with diversified knowledge and skills and build new business models in response to situations in each country to promote efficient overseas development.



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## 6. Promoting sustainability activities

The Group has established its new Sustainability Statement, Changing the Future Landscape Through Eyewear. We aim to create a sustainable society and enhance our corporate value by achieving our vision, Magnify Life, through our business activities.

Under the new Sustainability Statement, we have established six focus areas for our future efforts: consideration for the environment, dependable products and services, improvement of working environments in the supply chain, healthcare innovation, contribution to society, and sound governance. We will fulfill our social responsibilities and make sustained contributions to society.



**(9) Assets and profit or loss**

Category	33rd term (Fiscal year ended August 31, 2020)	34th term (Fiscal year ended August 31, 2021)	35th term (Fiscal year ended August 31, 2022)	36th term (Fiscal year ended August 31, 2023)
Net sales (million yen)	60,258	63,898	66,901	73,264
Ordinary profit (million yen)	5,827	5,020	3,789	3,739
Profit attributable to owners of parent (million yen)	1,687	3,292	750	1,762
Earnings per share (yen)	71.49	141.07	32.17	75.50
Total assets (million yen)	53,392	53,007	54,721	44,863
Net assets (million yen)	17,763	20,219	20,406	21,779
Net assets per share (yen)	761.05	866.29	874.33	933.14

(Note) 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 and subsequent terms reflect the application of the said accounting standard, etc.

**(10) Description of main businesses (as of August 31, 2023)**

Business segment	Description of business
Domestic eyewear business	Planning, manufacture, distribution, and sales of eyewear (glasses, sunglasses, and other products related to glasses) and associated businesses
Overseas eyewear business	Sales of eyewear (glasses, sunglasses, and other products related to glasses) outside of Japan and associated businesses

**(11) Principal subsidiaries (as of August 31, 2023)**

Company name	Paid-in capital	Ratio of voting rights <sup>(Note 1)</sup>	Description of main businesses
JINS Inc.	¥110,000 thousand	100.0%	Planning, manufacture, distribution, and sales of eyewear in Japan
JINS SHENYANG CO., LTD.	USD 1,000 thousand	100.0% (100.0%)	Sales of eyewear in China
JINS SHANGHAI CO., LTD.	USD 22,270 thousand	100.0% (100.0%)	Management of the eyewear business and sales of eyewear in China
JINS US Holdings, Inc.	USD 48,500 thousand	100.0%	Management of the eyewear business in the U.S.
JINS Eyewear US, Inc.	USD 48,480 thousand	100.0% (100.0%)	Sales of eyewear in the U.S.
JINS CAYMAN Limited	USD 3.76	100.0%	Management of the eyewear business in Asia
JINS ASIA HOLDINGS Limited	HKD 220,432 thousand	100.0% (100.0%)	Management of the eyewear business in Asia
JINS TAIWAN CO., LTD.	TWD 81,000 thousand	100.0%	Sales of eyewear in Taiwan
JINS Hong Kong Limited	HKD 45,000 thousand	100.0% (100.0%)	Sales of eyewear in Hong Kong
Think Lab.Inc. <sup>(Note 2)</sup>	¥100,000 thousand	100.0%	Planning of, operation of, management of, and consulting for office spaces

- (Notes) 1. Figures in parentheses under the ratio of voting rights column are the ratio of voting rights held by the Company's subsidiaries, etc., which are included in the figures directly above.
2. Dissolve on September 12, 2023, with plans to complete liquidation during the fiscal year ending August 31, 2024.

**(12) Main offices (as of August 31, 2023)**

The Company	Location
Head office	26-4 Kawaharamachi 2-chome, Maebashi-shi, Gunma
Tokyo head office	Yasuda Sequence Tower, 3-1 Kandanishiki-cho, Chiyoda-ku, Tokyo <sup>(Note 1)</sup>

Subsidiary	Location of head office	Number of stores
JINS Inc.	Maebashi-shi, Gunma	473 stores <sup>(Note 2)</sup>
JINS SHANGHAI CO., LTD.	Shanghai, China	172 stores <sup>(Note 3)</sup>
JINS Eyewear US, Inc.	California, U.S.	4 stores <sup>(Note 3)</sup>
JINS TAIWAN CO., LTD.	Taipei, Taiwan	55 stores <sup>(Note 3)</sup>
JINS Hong Kong Limited	Hong Kong SAR, China	9 stores <sup>(Note 3)</sup>

(Notes) 1. Tokyo head office was relocated in May 2023.

2. JINS Inc. Number of directly-managed stores by region

Hokkaido	Tohoku	Kanto	Chubu	Kinki	Chugoku / Shikoku	Kyushu / Okinawa	Total
15 stores	33 stores	204 stores	70 stores	67 stores	36 stores	48 stores	473 stores

3. Number of stores as of June 30, 2023.

**(13) Employees (as of August 31, 2023)**

[Employees of the Group]

Number of employees	Changes from the end of the previous fiscal year
3,486 persons	Decreased by 113 persons
[1,628 persons]	[Increased by 194 persons]

- (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.

[Employees of the Company]

Number of employees	Changes from the end of the previous fiscal year	Average age	Average years in employment
69 persons	Decreased by 1 person	42.4 years old	5.8 years
[8 persons]	[Increased by 1 person]		

- (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.

**(14) Major lenders (as of August 31, 2023)**

Lender	Loan balance
Mizuho Bank, Ltd.	¥1,045 million
Sumitomo Mitsui Banking Corporation	¥863 million

**(15) Other significant matters concerning the current state of the Group**

Not applicable.

## Shares (as of August 31, 2023)

### (1) Total number of authorized shares

73,920,000 shares

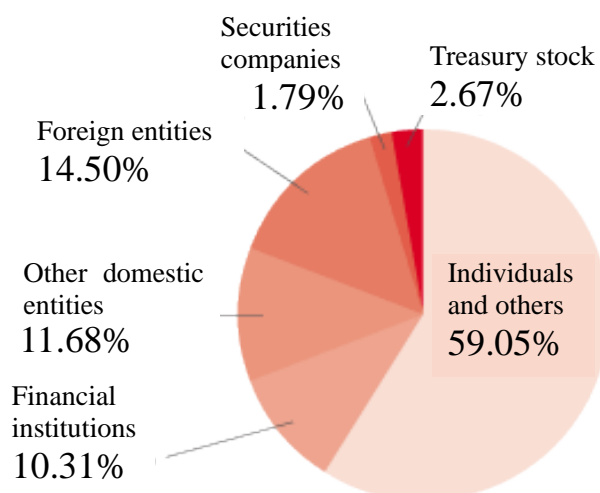
### (2) Total number of issued shares

23,980,000 shares

(including 639,866 shares of treasury stock)

### (3) Number of shareholders

34,658



### (4) Major shareholders

Shareholder	Number of shares held	Shareholding ratio
Hitoshi Tanaka	8,104,000	34.72%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,470,000	6.30%
MARS G.K.	1,200,000	5.14%
Jupiter Corporation	600,000	2.57%
Venus Corporation	600,000	2.57%
Custody Bank of Japan, Ltd. (Trust Account)	595,500	2.55%
NORTHERN TRUST CO.(AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	501,000	2.15%
Yutaka Nakamura	480,000	2.06%
Shunichi Katono	346,600	1.48%
JP JPMSE LUX RE CITIGROUP GLOBAL MARKETS L EQ CO	333,695	1.43%

- (Notes) 1. 1,470,000 shares held by The Master Trust Bank of Japan, Ltd. pertain to its trust services. The breakdown of these shares is 25,700 shares for pension trusts, 249,300 shares for investment trusts, and 1,195,000 shares for other trusts.
2. 595,500 shares held by Custody Bank of Japan, Ltd. pertain to its trust services. The breakdown of these shares is 37,400 shares for pension trusts, 486,200 shares for investment trusts, and 71,900 shares for other trusts.
3. The shareholding ratio is calculated upon deducting treasury stock (639,866 shares).



## Status of Share Acquisition Rights (as of August 31, 2023)

### (1) Status of share acquisition rights held by the Company's Officers granted as consideration for the execution of duties

Not applicable

### (2) Status of share acquisition rights granted to the Company's employees, etc. as consideration for the execution of duties during the fiscal year under review

Not applicable

### (3) Other important matters regarding share acquisition rights

Share acquisition rights attached to the euro yen denominated convertible bond-type bonds with share acquisition rights due 2025

Number of share acquisition rights	1,000 units
Class of shares subject to the share acquisition rights	Common stock
Number of shares subject to the share acquisition rights	Number obtained by dividing total face value of bonds by the conversion value
Issue price of share acquisition rights	Nil
Conversion value	¥9,197 after revision (conversion value is revised or adjusted under certain conditions)
Exercise period of share acquisition rights	From March 13, 2020 to February 14, 2025 (local time at the place where exercise requests are accepted)
Balance of bonds with share acquisition rights	¥10,015 million

## Company Officers

### (1) Directors and Auditors (as of August 31, 2023)

Name	Position and responsibilities	Significant concurrent positions
Hitoshi Tanaka	CEO and Representative Director	Chairman, JINS SHENYANG CO., LTD. Chairman, JINS SHANGHAI CO., LTD. CEO, JINS US Holdings, Inc. Director, JINS CAYMAN Limited Director, JINS ASIA HOLDINGS Limited Chairman, JINS TAIWAN CO., LTD. Representative Director, JINS norma CO., LTD. External Director, Oisix ra daichi Inc. CEO and Representative Director, JINS Inc. CEO and Representative Director, Think Lab.Inc. Outside Director, Japan Communications Inc. Outside Director, Mebuku Ground Inc.
Ryo Tanaka	Executive Vice President	Director, Yamato Technical Co., Ltd. Director, JINS SHANGHAI CO., LTD. CFO, JINS US Holdings, Inc.
Noboru Kotani	Director	Representative Director, Vehicle Inc. External Director, Combi Corporation External Director, SanBio, Inc. External Director, Medley, Inc. Outside Director, Santen Pharmaceutical Co., Ltd.
Jiro Kokuryo	Director	Professor, Faculty of Policy Management, Keio University Outside Director, Mebuku Ground Inc. Outside Director, QON Inc. Outside Director, Hacobu, Inc.
Chiaki Hayashi	Director	Chairperson and Director, Hidakuma Co., Ltd Outside Director, Pigeon Corporation Outside Director, Yayoi Co., Ltd. Representative Director, Hachi Hachi Inc. Representative Director and President, QO Inc.
Masatoshi Arimura	Full-time Auditor	Auditor, Yamato Technical Co., Ltd. Auditor, JINS SHENYANG CO., LTD. Auditor, JINS SHANGHAI CO., LTD. Auditor, JINS TAIWAN CO., LTD.
Tetsuya Oi	Auditor	Attorney-at-law, TMI Associates External Audit & Supervisory Board Member, MarketEnterprise Co., Ltd. Outside Director of Audit and Supervisory Committee, Techfirm Holdings Inc. Representative Director, TMI PRIVACY AND SECURITY Co., Ltd. Outside Director (audit and supervisory committee member), IMAGE MAGIC Inc.
Tsuguya Ota	Auditor	President, Spiralll & Company K.K. Senior Partner, Certified Public Tax Accountants Firm Spiralll

- (Notes) 1. Directors Noboru Kotani, Jiro Kokuryo and Chiaki Hayashi are Outside Directors.
2. Auditors Masatoshi Arimura, Tetsuya Oi, and Tsuguya Ota are Outside Auditors.
3. The Company has designated Mr. Noboru Kotani, Mr. Jiro Kokuryo, Ms. Chiaki Hayashi, Mr. Tetsuya Oi, and Mr. Tsuguya Ota as Independent Officers as stipulated by the Tokyo Stock Exchange and notified the Exchange to that effect.
4. Auditor Tsuguya Ota is a certified public accountant and has considerable knowledge regarding finance and accounting.
5. Mr. Yutaka Nakamura retired as Director due to the expiration of his term of office at the conclusion of the 35th Annual General Meeting of Shareholders held on November 29, 2022.

**(2) Amounts of remuneration for Directors and Auditors**

Category	Number of persons paid	Amount paid
Directors	6 persons	¥112 million
Auditors	3 persons	¥24 million
Total	9 persons	¥136 million

- (Notes) 1. The above includes one Director who retired as Director at the conclusion of the 35th Annual General Meeting of Shareholders held on November 29, 2022.
2. At the 34th Annual General Meeting of Shareholders held on November 25, 2021, it was resolved that the maximum amount of remuneration for Directors shall be no more than ¥500 million per year (including ¥120 million for Outside Directors). The number of Directors as of the conclusion of said Annual General Meeting of Shareholders was six (including three Outside Directors).
3. At the 34th Annual General Meeting of Shareholders held on November 25, 2021, it was resolved that the maximum amount of remuneration for Auditors shall be no more than ¥300 million per year. The number of Auditors as of the conclusion of said Annual General Meeting of Shareholders was three.
4. The Board of Directors has delegated the determination of the allocation of basic remuneration amount for each Director to Hitoshi Tanaka, CEO and Representative Director, within the scope of recommendations by the Nomination and Compensation Committee (comprised of the Representative Director and Outside Directors). The reason for the delegation is because the Board of Directors has determined that the CEO and Representative Director is best suited to assess the Company's overall business results and each Director.
- Regarding contents of individual remuneration for Directors for the fiscal year under review, the CEO and Representative Director 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 (3) Policy for determining the amount of remuneration for Directors or calculation method thereof and decision-making process. 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.
5. There is no performance-linked remuneration nor non-monetary remuneration.

### **(3) Policy for determining the amount of remuneration for Directors or calculation method thereof and decision-making process**

At the meeting of the Board of Directors held on February 24, 2021, the Company made a resolution on the decision-making policies for the content of individual remuneration for Directors.

The details of the decision-making policies for individual remuneration 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 light of each Director's responsibilities and level of contribution in order to ensure transparency and objectivity. Specifically, only basic remuneration shall be paid, as a fixed remuneration that comprehensively takes into account of the scope of responsibilities, business results, level of contribution, and other factors, within the scope of the maximum amount of remuneration determined by resolution of the General Meeting of Shareholders.

#### b. Policy on determination of the amount of individual remuneration within basic remuneration (monetary remuneration)

(Including policy on determination of the timing of providing remuneration or other conditions)

Basic remuneration for the Company's Directors shall be monthly fixed remuneration. The amount shall be determined according to factors such as the position, responsibilities, and tenure, upon comprehensively taking into account of 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 for Directors

With regard to the amounts of individual remuneration, the CEO and Representative Director shall be delegated the determination of their specific contents, based on a resolution of the Board of Directors. The delegated authority pertains to the determination of the amount of basic remuneration for each Director within the scope of recommendations by the Nomination and Compensation Committee (comprised of the Representative Director and Outside Directors), which is a discretionary committee established by the Board of Directors as an advisory body.

#### (4) Outside Officers

[Significant concurrent positions at other entities and relationships between the Company and those entities]

Category	Name	Entity at which concurrent positions are held and concurrent positions held	Relationship with such entity
Director	Noboru Kotani	Representative Director, Vehicle Inc.	There are no significant transactions or other relationships.
		External Director, Combi Corporation	
		External Director, SanBio, Inc.	
		External Director, Medley, Inc.	
		Outside Director, Santen Pharmaceutical Co., Ltd.	
	Jiro Kokuryo	Professor, Faculty of Policy Management, Keio University	The Company has made investment in this company.
		Outside Director, Mebuku Ground Inc.	
		Outside Director, QON Inc.	There are no significant transactions or other relationships.
	Outside Director, Hacobu, Inc.		
	Chiaki Hayashi	Chairperson and Director, Hidakuma Co., ltd	
		Outside Director, Pigeon Corporation	
		Outside Director, Yayoi Co., Ltd.	
		Representative Director, Hachi Hachi Inc.	
	Representative Director and President, Q0 Inc.		

Category	Name	Entity at which concurrent positions are held and concurrent positions held	Relationship with such entity
Auditor	Masatoshi Arimura	Auditor, Yamato Technical Co., Ltd.	The Company is a wholly owning parent company of each entity.
		Auditor, JINS SHENYANG CO., LTD.	
		Auditor, JINS SHANGHAI CO., LTD.	
		Auditor, JINS TAIWAN CO., LTD.	
	Tetsuya Oi	Attorney-at-law, TMI Associates	The Company has concluded a legal advisory agreement with TMI Associates. The total amount of fees paid by the Group to TMI Associates during the fiscal year under review was less than 1.0% of the Company's SG&A expenses for the same fiscal year.
		External Audit & Supervisory Board Member, MarketEnterprise Co., Ltd.	There are no significant transactions or other relationships.
		Outside Director of Audit and Supervisory Committee, Techfirm Holdings Inc.	
		Representative Director, TMI PRIVACY AND SECURITY Co., Ltd.	
		Outside Director (audit and supervisory committee member), IMAGE MAGIC Inc.	
	President, Spiralll & Company K.K.		
Tsuguya Ota	Senior Partner, Certified Public Tax Accountants Firm Spiralll		

[Main activities of each Outside Officer]

Category	Name	Main activities
Director	Noboru Kotani	He attended all 15 meetings of the Board of Directors held during the fiscal year under review, and made necessary remarks on proposals and deliberations from an external standpoint as appropriate, leveraging his insight and experience.
Director	Jiro Kokuryo	He attended all 15 meetings of the Board of Directors held during the fiscal year under review, and made necessary remarks on proposals and deliberations from an external standpoint as appropriate, leveraging his insight and experience.
Director	Chiaki Hayashi	She attended all 15 meetings of the Board of Directors held during the fiscal year under review, and made necessary remarks on proposals and deliberations from an external standpoint as appropriate, leveraging her insight and experience.
Auditor	Masatoshi Arimura	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Board of Auditors held during the fiscal year under review, and made necessary remarks on proposals and deliberations from an external standpoint as appropriate, leveraging his insight and experience.
Auditor	Tetsuya Oi	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Board of Auditors held during the fiscal year under review, and made necessary remarks on proposals and deliberations from an external standpoint as appropriate, mainly from a professional perspective as an attorney-at-law, leveraging his insight and experience.
Auditor	Tsuguya Ota	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Board of Auditors held during the fiscal year under review, and made necessary remarks on proposals and deliberations from an external standpoint as appropriate, mainly from a professional perspective as a certified public accountant, leveraging his insight and experience.

(Note) In addition to the number of meetings of the Board of Directors held above, six written resolutions were made, whereby resolutions of the Board of Directors are deemed to have been made pursuant to the provisions of Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.

[Liability limitation agreements]

The Company amended its Articles of Incorporation at the 28th Annual General Meeting of Shareholders held on November 26, 2015, establishing provisions on liability limitation agreements with Directors (excluding executive Directors) and Auditors.

An outline of the contents of the liability limitation agreements concluded by the Company with each of the Directors (excluding executive Directors) and the Auditors pursuant to said provisions of the Articles of Incorporation is as follows.

a. Liability limitation agreements with Directors (excluding executive Directors)

The Company and its Directors (excluding executive Directors) 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 Director (excluding executive Directors) has executed his or her duties that caused such liability in good faith and without gross negligence.

b. Liability limitation agreements with Auditors

The Company and its Auditors 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 Auditor has executed his or her duties that caused such liability in good faith and without gross negligence.

[Total amount of remuneration for Outside Officers]

Total amount of remuneration for Outside Officers	Number of persons: 6	Amount of remuneration: ¥48 million
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(Note) There are no performance-linked remuneration or non-monetary remuneration.

[Opinions of Outside Officers on stated matters]

Not applicable.



## Accounting Auditor

### (1) Name

Ernst & Young ShinNihon LLC

### (2) Amount of remuneration

	Amount of remuneration
Amount of remuneration for the Accounting Auditor pertaining to the fiscal year under review	
a. Amount of remuneration pertaining to services prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act	¥58 million
b. Amount of remuneration pertaining to services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act	¥– million
Total amount of monetary or other economic benefit to be paid by the Company and its subsidiaries to the Accounting Auditor	¥58 million

- (Notes) 1. In the audit agreement between the Company and the Accounting Auditor, the amounts of audit fees for audits pursuant to the Companies Act and for audits pursuant to the Financial Instruments and Exchange Act are not clearly distinguished. As it is not practical to distinguish between the two, the stated amount of remuneration for the Accounting Auditor pertaining to the fiscal year under review is the total amount of these audit fees.
2. The Board of Auditors decided to give its consent to the amount of remuneration for the Accounting Auditor upon conducting necessary verifications on whether matters including the content of the Accounting Auditor's audit plans, the state of execution of duties in accounting audits, and the basis for calculating remuneration estimates are appropriate.
3. Overseas subsidiaries of the Company are audited by audit corporations other than the Accounting Auditor of the Company.

### (3) Policy on determining the dismissal or non-reappointment of the Accounting Auditor

The Board of Auditors shall determine the contents of a proposal on the dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders if it deems necessary, such as the case in which the Accounting Auditor is unable to execute its duties.

The Board of Auditors shall dismiss the Accounting Auditor based on the unanimous consent of Auditors if the Accounting Auditor is found to fall under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act. In such a case, an Auditor selected by the Board of Auditors shall report the fact that the Accounting Auditor has been dismissed and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

### (4) Liability limitation agreement

The Company and the Accounting Auditor have concluded an agreement 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 agreement is the minimum amount of liability prescribed in Article 425, Paragraph 1 of the Companies Act.

## **System and Policy of the Company**

- **System to Ensure the Appropriateness of Business**

The Company has made a resolution regarding a 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. The details are as follows:

(1) 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 Legal Section of 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 Compliance 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. The Compliance Group serves as the Committee's secretariat to help further consolidate information.

The Compliance Group provides compliance training to executives and employees on a regular basis. Through compliance training, the Company has executives 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 Board of Auditors and CEO.

As measures for eliminating anti-social forces, all executives 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.

(2) 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,

“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 Documents, etc. Directors and Auditors shall be able to view these Documents, etc., at any time.

### (3) 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 shall develop and construct a risk management system in accordance with the Regulations.

The Company established a Risk Management Group as a dedicated department tasked with managing risks within the Governance Promotion Section in the Governance Division. In addition, the Company has the Compliance Committee, Risk Management Committee, Information Management Committee, Information Security Committee, and Personal Information Committee established as special committees, and to supervise these special committees, a Governance Supervision Committee chaired by the CEO has been established. Each special committee shall periodically report the contents of its agenda items to the Governance Supervision Committee, and the Governance Supervision Committee is required to report the contents of its agenda items periodically to the Board of Directors and the Board of Auditors. 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 order to ensure business continuity in the face of risks as shown below, the Company also formulated the “Management Risk Response Guidelines,” and will develop a system to manage these risks.

- 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

(4) System to ensure that Directors execute their duties efficiently

The Company will formulate 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, a management committee, which consists of executive and other officers and is chaired by the CEO, 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.

(5) 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 full-time Directors, full-time Auditors, 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 shall promptly establish a countermeasure headquarters and take necessary actions.

In addition, the Company shall apply the "JINS Group Code of Ethical Conduct" and the "Guidelines for Code of Ethics" to all officers and employees of the Company and its affiliates, and shall ensure that all applicable individuals are aware of the ethical codes.

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

(6) Matters relating to employees in the event that an Auditor requests assignment of that employee for assistance in duties

If an Auditor requests the assignment of an employee for assisting in the operation of the Board of Auditors or in the execution of other duties (hereinafter, "Assistant to Corporate Auditor"), an Assistant to Corporate Auditor shall be promptly assigned after consulting with the Auditor.

(7) Matters related to the independence of Assistant to Corporate Auditor from Directors and matters related to

ensuring the effectiveness of instructions from Auditors

Consent shall be obtained in advance from the Auditor in regards to the transfer or personnel evaluation of an Assistant to Corporate Auditor. In addition, an Assistant to Corporate Auditor who has received an order necessary for auditing work from an Auditor shall possess the authority to view documents, enter the audit site, etc., within the scope necessary to perform the duties of the Assistant to Corporate Auditor.

(8) System for Directors, Executive Officers and other employees to report to Auditors and other systems related to reporting to Auditors

Directors and Executive Officers shall periodically report the status for execution of their duties to Auditors. In addition to legal matters, Directors shall immediately report to Auditors on the details of decisions that may have a significant impact on finance and business.

An employee shall be able to report directly to Auditors 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 Auditors in regards to matters related to the duties of Directors.

Auditors shall attend meetings of the Compliance Committee, which deliberates and reviews the contents of reports to the whistleblowing contact point, reports on the status of response, and measures for preventing reoccurrence; meetings of the Risk Management Committee, which reports on the promotion of risk management for the entire JINS Group; meetings of the Governance Supervision Committee, which deliberates and reviews measures for preventing reoccurrence; and meetings of a Rewards and Punishments Committee engaged in factual finding regarding compliance violations, among others.

(9) System for Directors and employees of affiliates to report to Auditors

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

As necessary, Auditors of the Company 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 Auditors as stipulated in (8) and (9) do not incur unfavorable treatment at the Company or the affiliates because of the report.

(10) Matters related to the procedures for prepaying or redeeming expenses arising from execution of duties by Auditors, as well as policies related to the processing of expenses or obligations arising from the performance of such duties

When an Auditor requests advance payment of expenses for the execution of duties per Article 388 of the Companies Act, the Company shall promptly process the request.

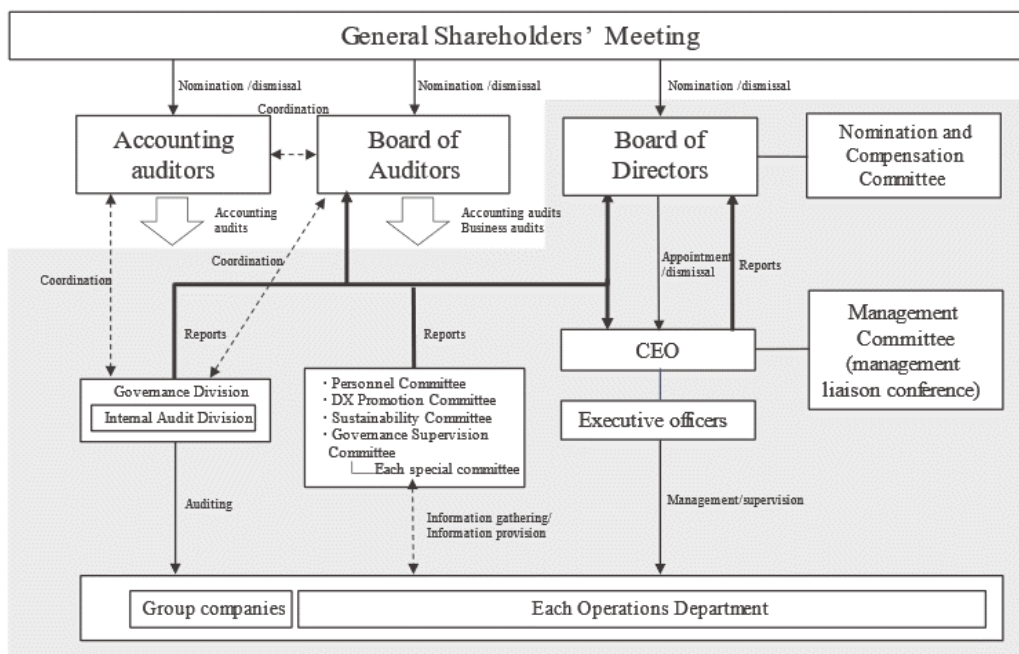
(11) Other systems to ensure that audits by Auditors are conducted effectively

Directors and employees of the Company and Directors, Auditors, and employees of the affiliates shall actively cooperate with audits by Auditors of the Company, report on the status of business operations, and disclose materials related to their duties.

In addition, Auditors shall periodically exchange opinions with the CEO 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, Auditors shall propose important improvements to the Board of Directors.

(12) 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 CEO to maintain and operate an internal control system for financial reports, and shall work to evaluate and improve said system.



- Outline of the Operational Status of the System to Ensure the Appropriateness of Business

A summary of the operational status of the system to ensure appropriateness of the Company's business is as follows.

(1) Overall internal control system

In order to consolidate and centralize the information on the entire Group, the Company has the "Governance Supervision Committee," which supervises special committees including the Compliance Committee, Risk Management Committee, Information Management Committee, Information Security Committee, and Personal Information Committee. In addition, in order to ensure appropriateness of the entire Group's business, the Company shares information and exchanges opinions with risk management committees of its subsidiaries, including those located overseas, and the Compliance Committee, and promotes development of rules for its overseas subsidiaries.

Regarding the overall status of development and operations of the internal control system, the Internal Audit Division continuously conducts monitoring for improvement and enhancement.

(2) Compliance

The Company has made efforts to raise compliance awareness of the entire Group through operations of the Compliance Committee and promotes compliance training in line with current circumstances by improving e-learning content for employees focusing on case studies and conducting thorough management of participation in such training.

Also, the Company has enhanced the contact points for the Compliance Hotline, and strived to make these points known to all employees and in the case of whistleblowing, the Company has made proper responses in cooperation with each internal department and external experts, making timely reports to the Compliance Committee.

(3) Risk management

The Risk Management Committee, Information Management Committee, Personal Information Committee and Information Security Committee periodically share information and exchange opinions with each subsidiary as well as review measures against various risks reported by the Company and its subsidiaries for prompt and proper responses.

(4) Internal audits

The Internal Audit Division and IT Governance Section conducts internal audits of the Group based on the basic audit plan.

- Basic Policies on the Control of the Company

At present, the Company has not yet defined a "basic policy" or "anti-takeover measures."

## Consolidated Financial Statements

### Consolidated balance sheets (as of August 31, 2023)

(Millions of yen)

Account	Fiscal year under review	Previous fiscal year (Reference)	Account	Fiscal year under review	Previous fiscal year (Reference)
(Assets)			(Liabilities)		
Current assets	23,757	33,174	Current liabilities	11,270	22,699
Cash and deposits	12,202	21,430	Accounts payable – trade	1,745	2,535
Accounts receivable – trade	5,059	4,514	Current portion of convertible bond-type bonds with share acquisition rights	–	10,033
Merchandise and finished goods	4,107	5,406	Short-term borrowings	1,887	1,869
Raw materials and supplies	474	446	Current portion of long-term borrowings	33	70
Other	1,912	1,376	Lease obligations	353	370
Non-current assets	21,105	21,547	Accounts payable - other, and accrued expenses	4,986	4,676
Property, plant and equipment	11,122	9,750	Income taxes payable	793	912
Buildings and structures	9,022	7,610	Accrued consumption taxes	525	245
Machinery, equipment and vehicles	86	85	Contract liabilities	514	350
Tools, furniture and fixtures	785	729	Provision for bonuses	85	67
Leased assets	688	911	Provision for product warranties	190	168
Construction in progress	250	125	Allowance for office relocation expenses	–	235
Other	287	287	Allowance for business structure reform expenses	–	628
Intangible assets	1,991	2,196	Asset retirement obligations	–	356
Other	1,991	2,196	Other	152	179
Investments and other assets	7,991	9,601	Non-current liabilities	11,813	11,615
Investment securities	1,012	2,166	Convertible bond-type bonds with share acquisition rights	10,015	10,025
Long-term loans receivable	1,265	1,098	Long-term borrowings	11	131
Deferred tax assets	1,520	1,337	Lease obligations	215	317
Leasehold and guarantee deposits	4,101	4,910	Asset retirement obligations	1,070	265
Other	91	88	Other	501	875
			<b>Total liabilities</b>	<b>23,083</b>	<b>34,314</b>
			(Net assets)		
			Shareholders' equity	21,509	20,051
			Common stock	3,202	3,202
			Capital surplus	3,228	3,228
			Retained earnings	20,081	18,623
			Treasury stock	(5,003)	(5,003)
			Accumulated other comprehensive income	269	355
			Valuation difference on available-for-sale securities	93	189
			Foreign currency translation adjustment	175	166
			<b>Total net assets</b>	<b>21,779</b>	<b>20,406</b>
<b>Total assets</b>	<b>44,863</b>	<b>54,721</b>	<b>Total liabilities and net assets</b>	<b>44,863</b>	<b>54,721</b>

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



## Consolidated Statements of Income (September 1, 2022 to August 31, 2023)

(Millions of yen)

Account	Fiscal year under review	Previous fiscal year (Reference)
Net sales	73,264	66,901
Cost of sales	17,001	14,770
Gross profit	56,263	52,131
Selling, general and administrative expenses	51,416	48,815
Operating profit	4,847	3,315
Non-operating income	360	950
Interest income	52	86
Foreign exchange gains	—	524
Subsidy income	179	160
Compensation income	—	110
Reversal of allowance for business structure reform expenses	60	—
Other	67	68
Non-operating expenses	1,468	476
Interest expenses	141	149
Foreign exchange losses	17	—
Share of loss of entities accounted for using equity method	1,107	71
Rental expenses on real estate	116	213
Other	85	42
Ordinary profit	3,739	3,789
Extraordinary losses	854	1,683
Loss on retirement of non-current assets	217	177
Impairment loss	511	355
Loss on store closings	45	57
Loss due to temporary store closures	73	298
Provision of allowance for office relocation expenses	—	235
Provision of allowance for business structure reform expenses	—	539
Other	6	19
Profit before income taxes	2,884	2,105
Income taxes – current	1,280	1,354
Income taxes – deferred	(157)	0
Profit	1,762	750
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,762	750

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

## Consolidated Statements of Changes in Net Assets (Year Ended August 31, 2023)

(Unit Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Common stock	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, 2022	3,202	3,228	18,623	(5,003)	20,051	189	166	355	20,406
Changes during period									
Dividends of surplus			(303)		(303)				(303)
Profit attributable to owners of parent			1,762		1,762				1,762
Purchase of treasury stock				(0)	(0)				(0)
Change in ownership interest of parent due to transactions with noncontrolling interests		(0)			(0)				(0)
Net changes in items other than shareholders' equity						(95)	9	(85)	(85)
Total changes during period	—	(0)	1,458	(0)	1,458	(95)	9	(85)	1,372
BALANCE, AUGUST 31, 2023	3,202	3,228	20,081	(5,003)	21,509	93	175	269	21,779

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