

For the 3 Months of Fiscal Year Ended Jan. 2025

Financial Results Briefing



June 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

Overview of FY2025/1 Q1 Results

FY2025/1 Q1 Initiatives



Opened 6 new stores
in Japan
(including 2 Relocation)



Opened 2nd Chinese
direct store
at Sinan Mansions
on April, 2024



Achieved ¥0.7Bn of
inbound sales
by recovery of inbound
demand



Conducted price
increase for both
brands

Acquired Taiho Co., Ltd (Eyewear manufacturer, Sabae) in May 2024

Executive Summary

Consolidated (IFRS)	Revenue		Gross Margin(% of sales)		SG&A	
	JPY3.8Bn		78.2 %		JPY1.8Bn (47.3% vs. sales)	
	vs.FY2024/1Q1	132.3%	vs.FY2024/1Q1	+0.3 pt	vs.FY2024/1Q1	120.2%
	Operating Profit		Net Income		Adjusted EBITDA	
	JPY1.1Bn (31.0% vs. sales)		JPY0.7Bn (19.1% vs. sales)		JPY1.6Bn (41.9% vs. sales)	
	vs.FY2024/1Q1	157.4%	vs.FY2024/1Q1	250.2%	vs.FY2024/1Q1	141.0%
Non-consolidated	Kaneko Optical Same Store Sales		Four Nines Same Store Sales			
	Q1(3 months)	123.8 %	Q1(3 months)	126.4 %		

Acquisition of Taiho Co., Ltd.

Taiho Co., Ltd. is a manufacturer of metal and plastic frames for eyewear. We expect that Taiho’s skills and experience will strengthen the manufacturing capabilities of JEH.

Furthermore, we will continue to explore M&A opportunities as an effective means of achieving non-linear growth.

(1) Company Name	Taiho Co., Ltd.
(2) Address	Sabae, Fukui prefecture
(3) CEO	Eio Nakamura
(4) Business	Eyewear manufacturer (Metal frames and Plastic frames)
(5) Cap.	10 million yen
(6) Date of establishment	June, 1970
(7) Relationship with JEH	Manufacturer of 999.9 frames.

Consolidated P/L

(unit: ¥MM)

(IFRS)

	FY2024/1 Q1	FY2025/1 Q1	Variance	% YoY
Revenue	2,918	3,861	942	132.3%
COGs	644	843	199	130.9%
Gross Margin	2,274	3,017	743	132.7%
SG&A	1,520	1,826	306	120.2%
Other Income/Other Expense	5	4	(0)	88.3%
Operating Profit	759	1,195	436	157.4%
EBITDA	1,113	1,591	478	143.0%
Adjusted EBITDA	1,146	1,616	469	141.0%
Financing Costs	(105)	(93)	11	89.0%
Income before income taxes	654	1,102	447	168.4%
Income Taxes	359	365	5	101.5%
Net Income	294	736	442	250.2%
Adjusted Net Income	316	753	437	238.3%
Gross margin (% of sales)	77.9%	78.1%		
OP margin	26.0%	31.0%		
EBITDA margin	38.2%	41.2%		

1. EBITDA=Operating Profit+Depreciation+Amortization

2. Adjusted EBITDA=EBITDA+IPO related costs (notes 3) + M&A related costs (notes 4))

3. One-time costs for IPO preparation, Advisory fee for IFRS introduction etc.

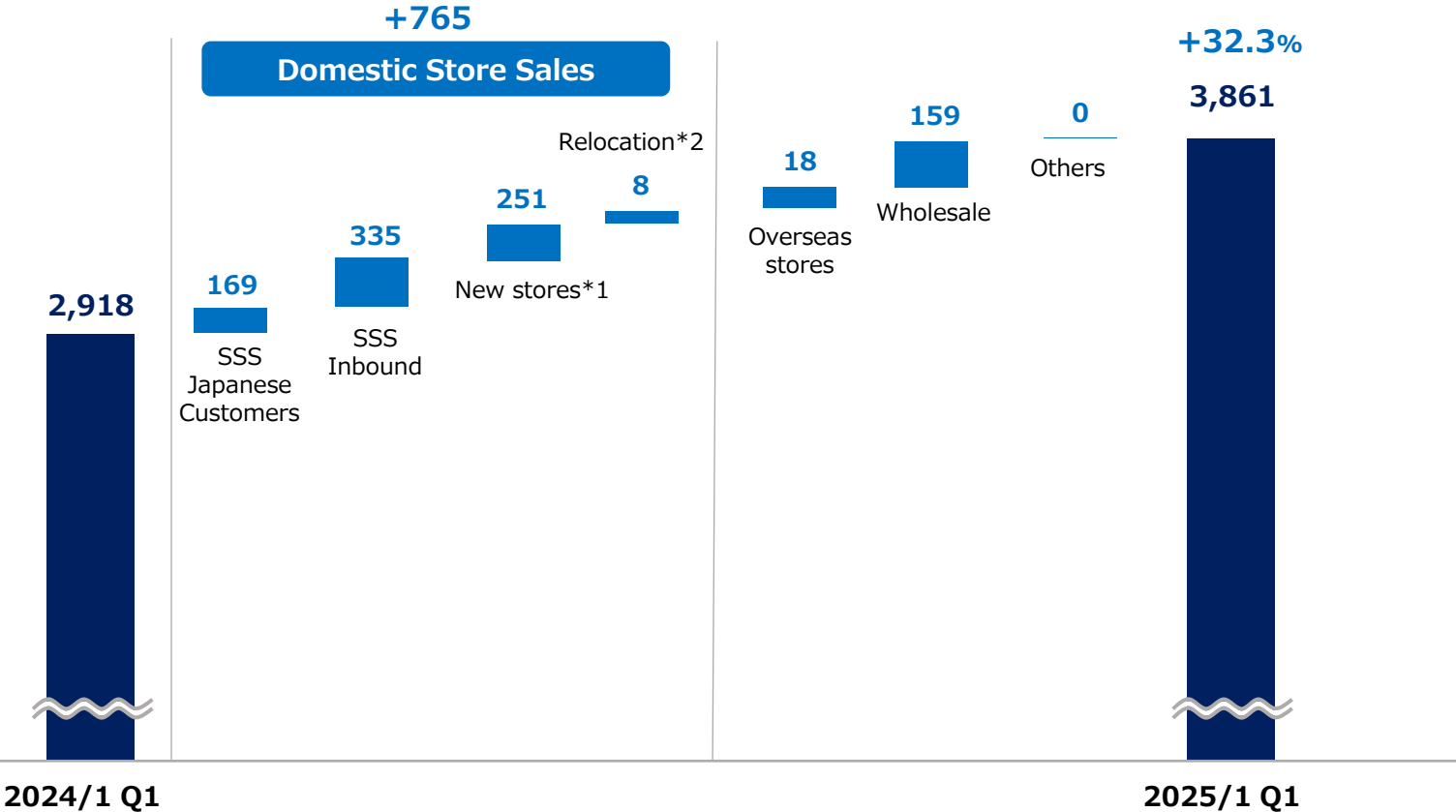
4. M&A related costs for Taihou were occurred in FY2025/1Q1.

Sales FY2024/1 Q1 vs. FY2025/1 Q1

(unit: ¥MM)

(IFRS)

Q1



1. FY2024/01 9 new stores, FY2025/01Q1 4 new stores
2. FY2024/01 1 relocation, FY2025/01Q1 2 relocations

Sales by channel

(IFRS)

(unit: ¥MM)



	FY2024/1 Q1	FY2025/1 Q1	Var.	
Store sales	1,694	2,275	581	134.3%
Wholesales (Domestic)	93	115	21	123.3%
Wholesales (Overseas)	117	129	12	110.4%
Others	6	5	(0)	88.8%
Sub-total	1,911	2,526	614	132.1%



	FY2024/1 Q1	FY2025/1 Q1	Var.	
Store sales	515	718	202	139.3%
Wholesales (Domestic)	293	286	(6)	97.8%
Wholesales (Overseas)	197	329	131	166.7%
Others	0	1	0	211.7%
Sub-total	1,006	1,335	328	132.6%
Total	2,918	3,861	942	132.3%

Consolidated SG&A

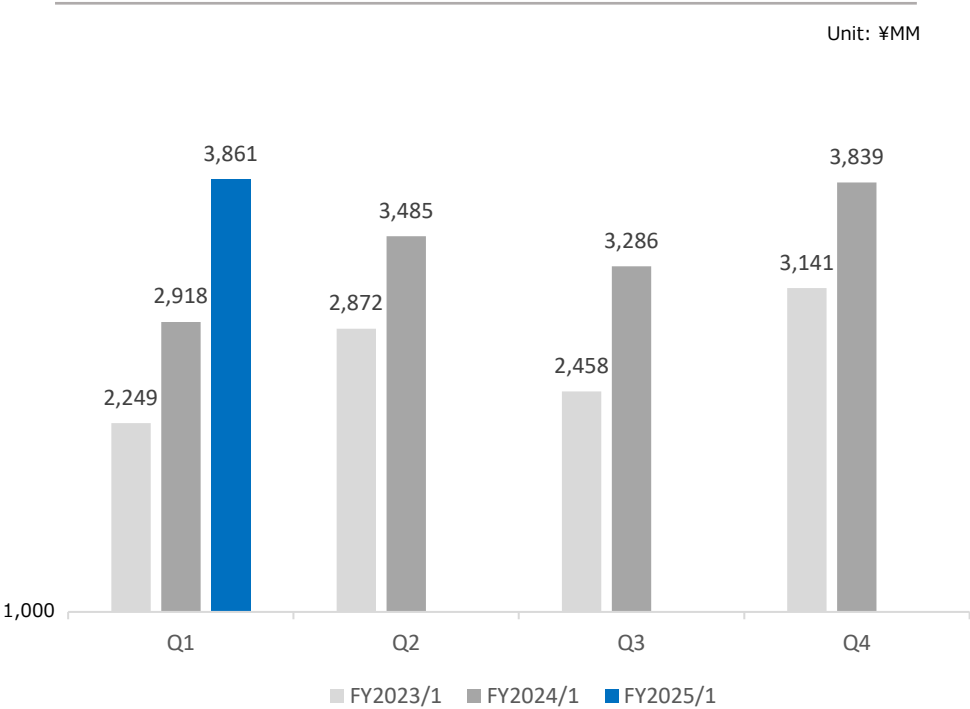
(IFRS)

(unit: ¥MM)

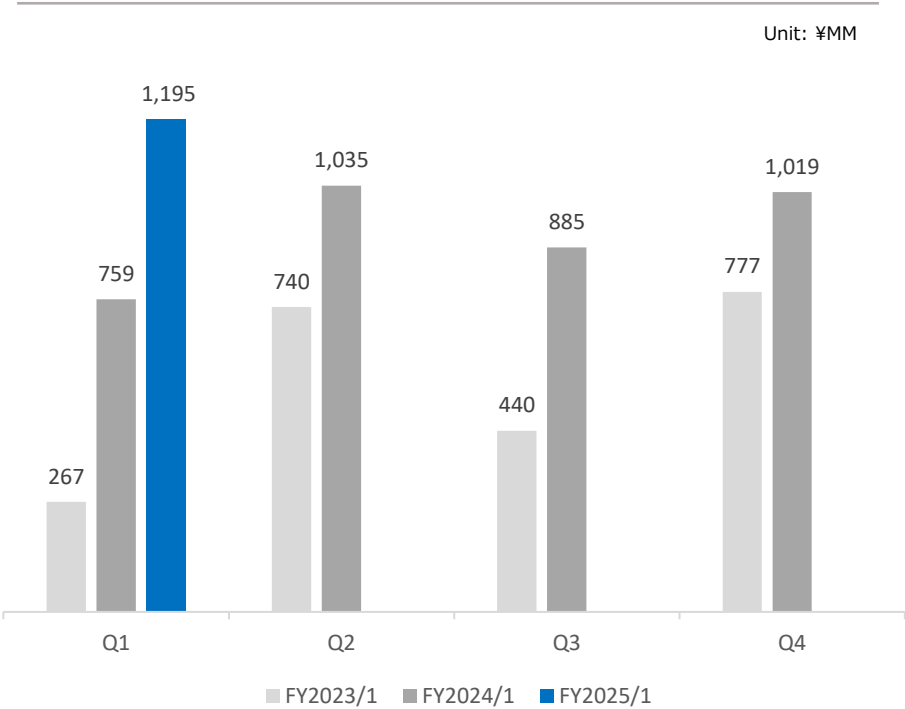
		FY2024/1 Q1	FY2025/1 Q1	Variance	% YoY
SG&A		1,520	1,826	306	120.2%
	vs. Sales	52.1%	47.3%	- 4.8Pt	-
Labor		634	702	68	110.8%
	vs. Sales	21.7%	18.2%	- 3.5Pt	-
Depreciation		341	383	41	112.2%
	vs. Sales	11.7%	9.9%	- 1.8Pt	-
Rent		154	214	60	138.9%
	vs. Sales	5.3%	5.6%	0.3Pt	-
Advertising		4	4	(0)	89.2%
	vs. Sales	0.2%	0.1%	- 0.1Pt	-
Others		384	521	137	135.7%
	vs. Sales	13.2%	13.5%	0.3Pt	-

Quarterly Trends

Revenue



Operating Profit



Consolidated BS

(IFRS)

(unit: ¥MM)

	As of Jan. 31 , 2024	As of Apr. 30 , 2024	Variance	% YoY
Total Assets	34,766	35,276	510	101.5%
Composition ratio	100.0%	100.0%	-	-
Current Assets	7,240	7,021	(218)	97.0%
Composition ratio	20.8%	19.9%	-	-
Non-current Assets	27,526	28,254	728	102.6%
Composition ratio	79.2%	80.1%	-	-
Current Liabilities	4,293	4,184	(108)	97.5%
Composition ratio	12.3%	11.9%	-	-
Non-current Liabilities	17,202	17,510	307	101.8%
Composition ratio	49.5%	49.6%	-	-
Equity	13,270	13,581	311	102.3%
Composition ratio	38.2%	38.5%	-	-
Bank Loan	13,850	13,850	—	100.0%
Inventories	1,497	1,568	71	104.7%

Consolidated CF

(IFRS)

(unit: ¥MM)

	FY2024/1 Q1	FY2025/1 Q1	Details	
Operating Cash Flow(sub-total)	933	1,661		
Operating Cash Flow	102	859	Income before income taxes	+ 1,102
			Depreciation	+ 396
			Decrease (Increase) in inventories	(71)
			Income taxes paid	(721)
Investing Cash Flow	(140)	(303)	Acquisition of property, plant and equipment	(265)
			Payments of lease deposits and guarantee deposits	(41)
Financing Cash Flow	(292)	(780)	Dividends paid	(454)
			Payment of lease liabilities	(325)
Cash and Cash equivalents at the end of the period	1,887	4,237		

Stores Opened / Closed

Results	New Opening	7	Cosed / Relocation	3	# of stores as of Apr.2024	102
Plan	New Opening	9	Cosed / Relocation	3	# of stores as of Jan.2025	104

	# of stores end of Jan, 2024	Result		# of stores end of Apr, 2024	Plan		# of stores end of Jan, 2025
		New Opening	Closed / Relocation		New Opening	Closed / Relocation	
Kaneko Optical	80	5	3	82	7	3	84
KANEKO FRANCE SARL	2	-	-	2	-	-	2
Kaneko Shanghai	1	1	-	2	1	-	2
Four Nines	14	1	-	15	1	-	15
FOUR NINES SINGAPORE PTE.LTD.	1	-	-	1	-	-	1
Total	98	7	3	102	9	3	104

Stores Opened / Closed (details)

New / Close			The name of the store
Kaneko Optical	Feb	New	Kaneko, Narita Airport
	Feb	Close (relocation)	KANEKO OPTICAL, Hirakata T-site
	Feb	Close (relocation)	Kaneko, Abeno Harukasu
	Mar.	Close (relocation)	Kaneko, Nagoya
	Mar.	New	Kaneko, Lumine Omiya
	Mar.	New (relocation)	Kaneko, Tennoji Mio
	Mar.	New	Kaneko, CoCoLo Niigata
	Apr.	New (relocation)	Kaneko, CHUNICHI BLDG.
Four Nines	Apr.	New	999.9, Narita Airport
Kaneko Shanghai	Apr.	New	Kaneko, Sinan Mansions

出店



02

Company Overview and Growth Strategies

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 : 82 domestic stores, 2 stores in France, 2 store in China (as of Apr.2024)
Unit Price ⁽²⁾	Approx. JPY75,000



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 : 15 domestic stores, 1 store in Singapore (as of Apr. 2024)
Unit Price ⁽²⁾	Approx. JPY81,000



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

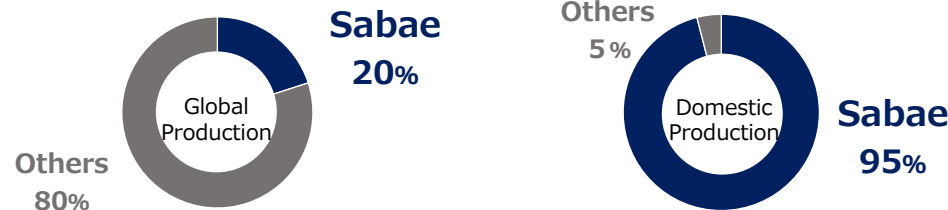
Production of High-quality Eyeglass Frames in Sabae, One of the World’s Largest Production Centers

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

Community Support at Sabae (Part of ESG Initiatives)

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

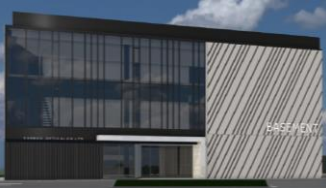


Manufacturing at Sabae with an aim to “inherit and develop time-honored artisanship” at Sabae

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



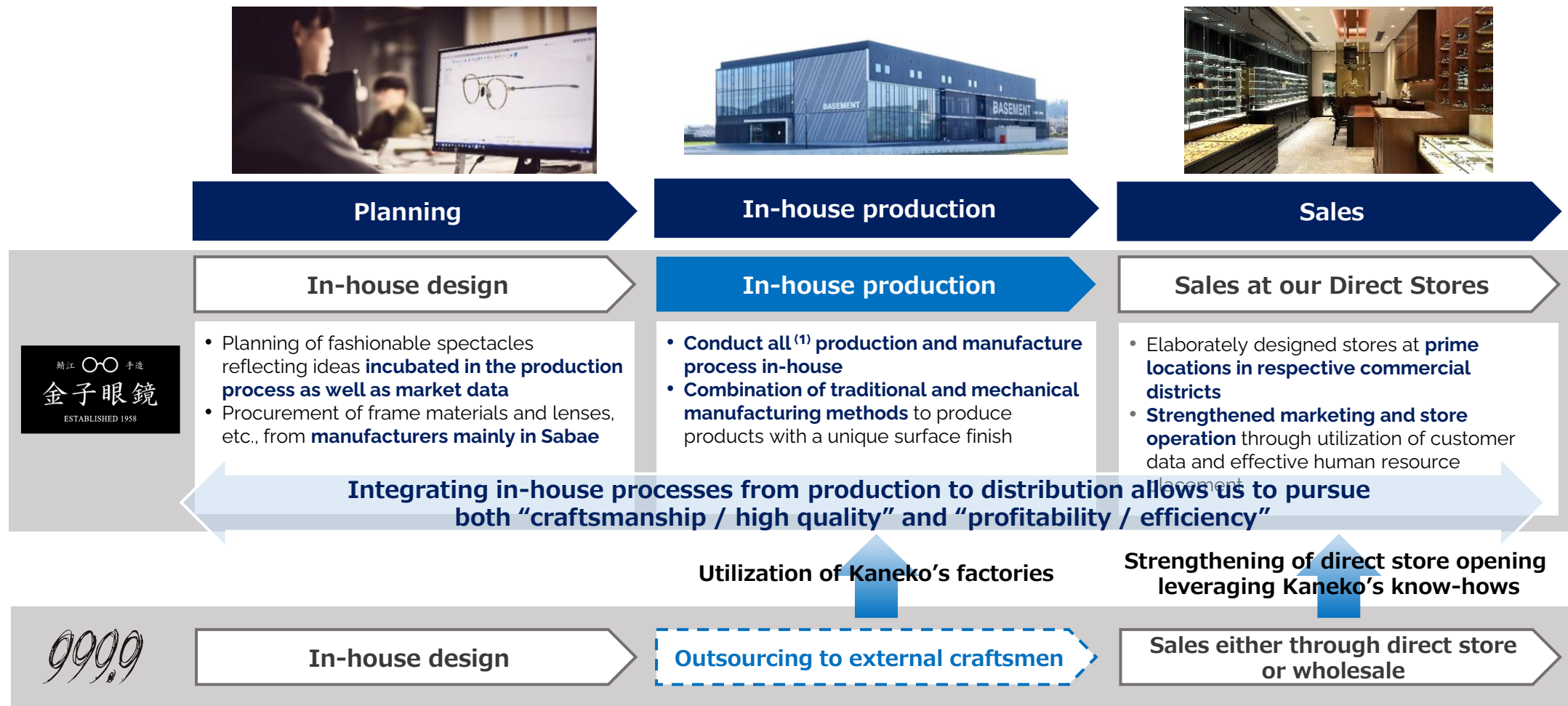
GLASSWORKS



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, Azabudai Hills

Opened in 2023



999.9, Kyoto Gion

Opened in 2023



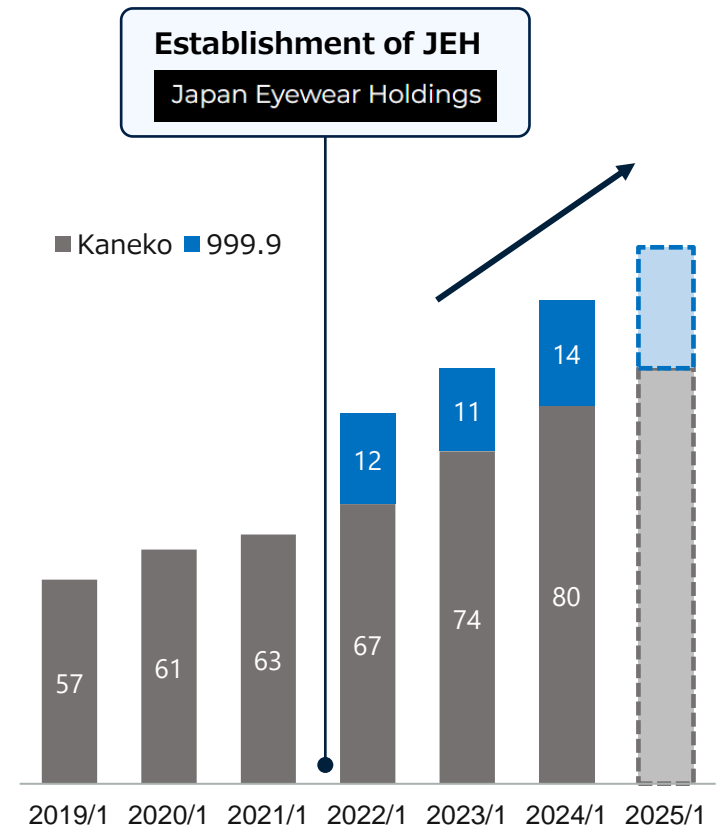
Growth Strategies

- 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

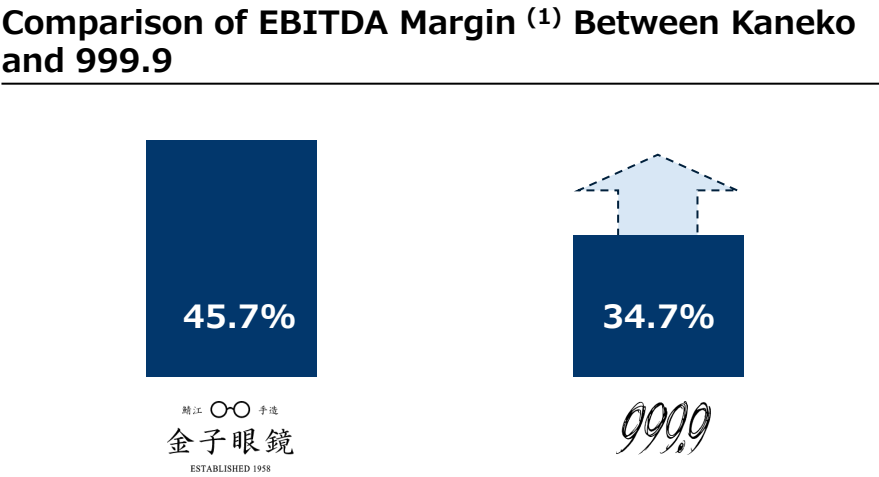
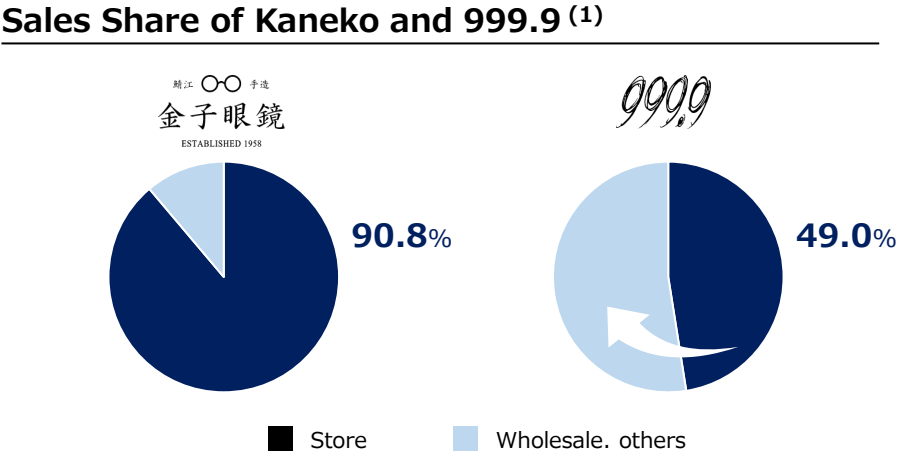
Promote Sabae, Japan-born luxury eyewear brand to luxury-oriented overseas customers

	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		
<div>Sales Growth</div> 	Acceleration of Store Opening in Japan	• Accelerate new store opening of direct stores in Japan by leveraging new store opening know-how of Kaneko
	Change in Unit Price	• Conduct consistent change in price whilst appealing its branding to customers, which has not been aggressively implemented before
	Sustainable Supply Chain	• Enhance sustainable product supply chain by shifting production to in-house factories
<div>Profitability Improvement</div> 	Decrease in COGS	• Take advantage of scale merit by shifting outsourced products to in-house, producing products as a whole JEH group
	Decrease in SG&A	• Decrease in cost related to management division and management / infrastructure integration

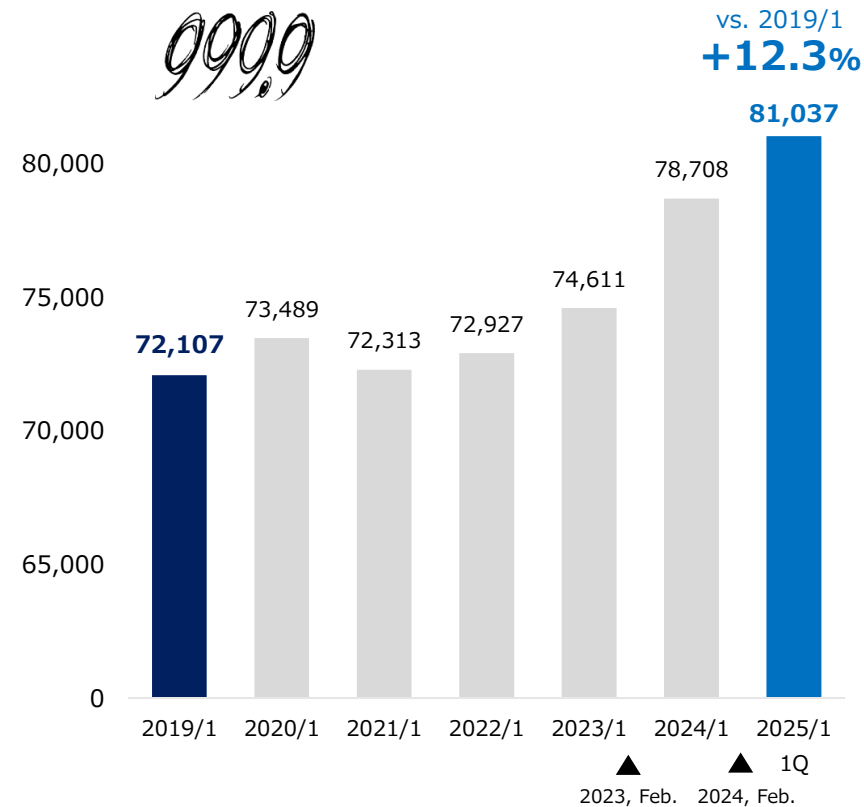
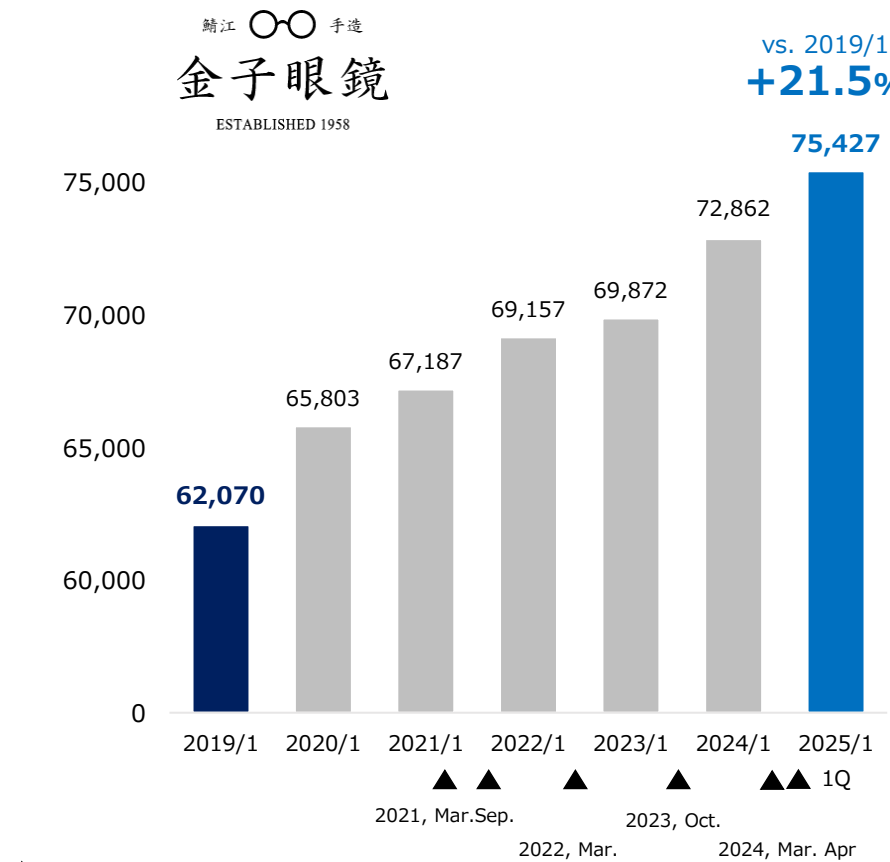


Notes:
1. As of latest fiscal year end (FY2024/1)

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

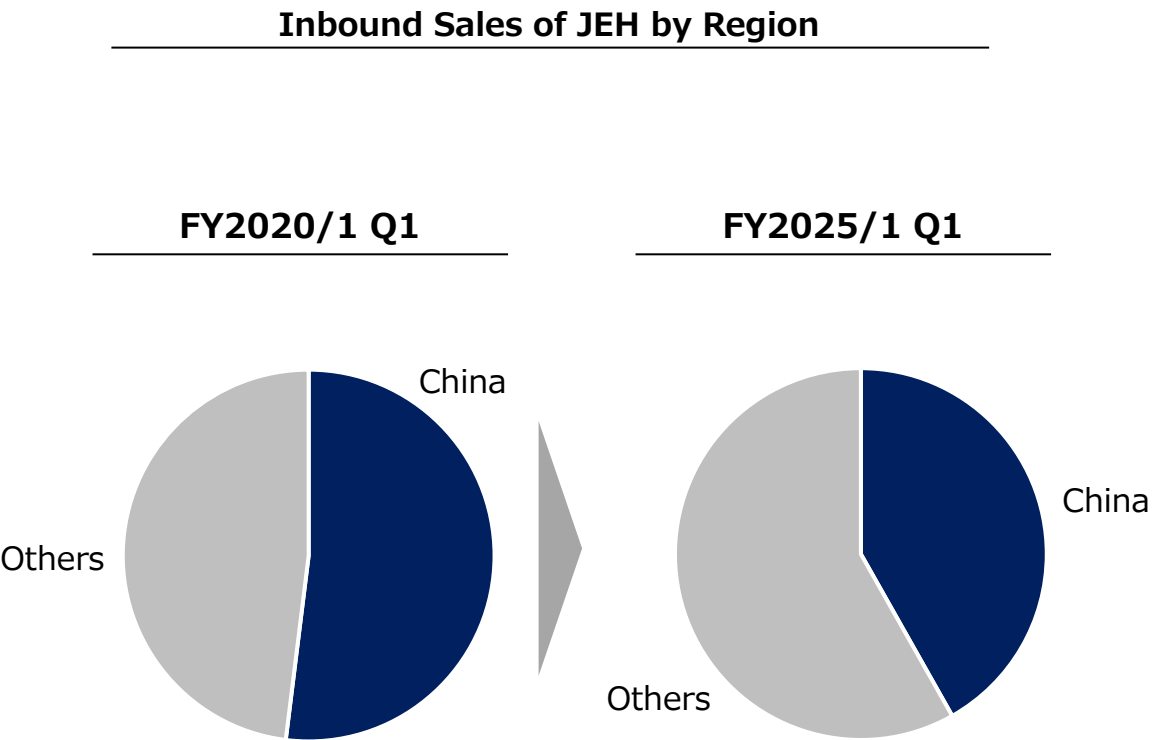
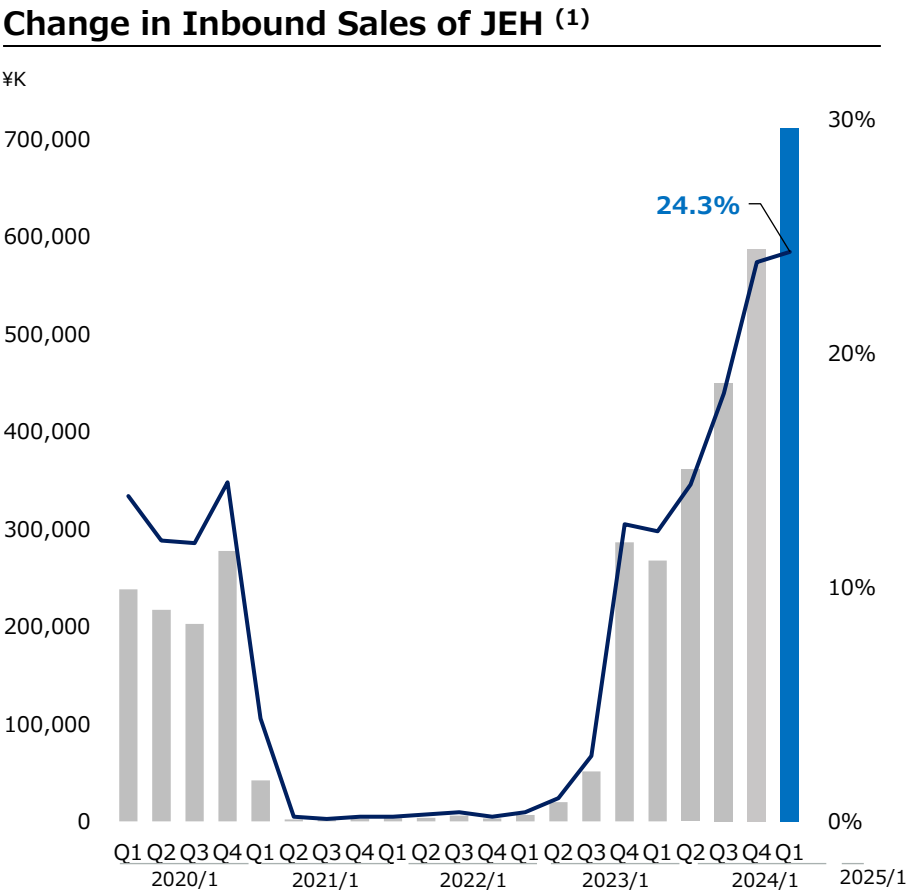
Consistent Increase in Unit Price ⁽¹⁾



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



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

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%**.

Dividend per share

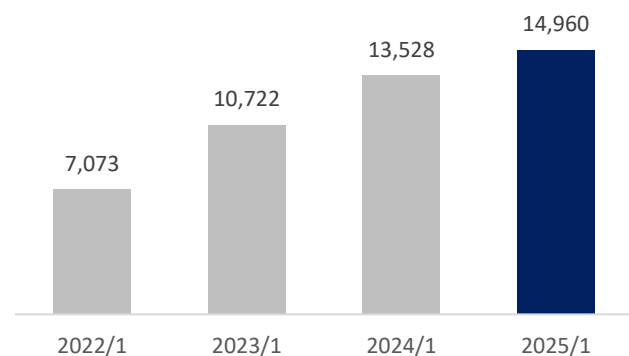
FY2025/1 ¥44(Forecasted)

Appendix

Key Financials

Sales

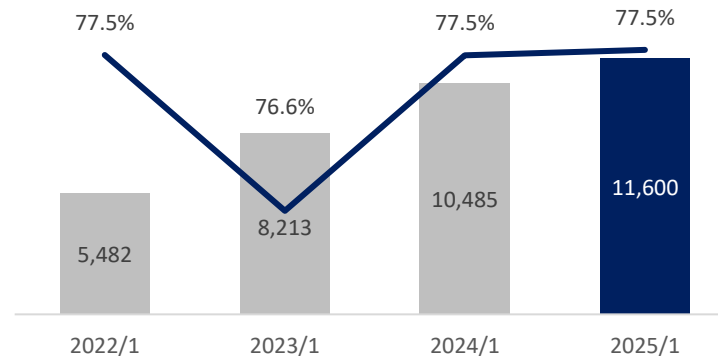
JPY MM



Gross Profit

JPY MM

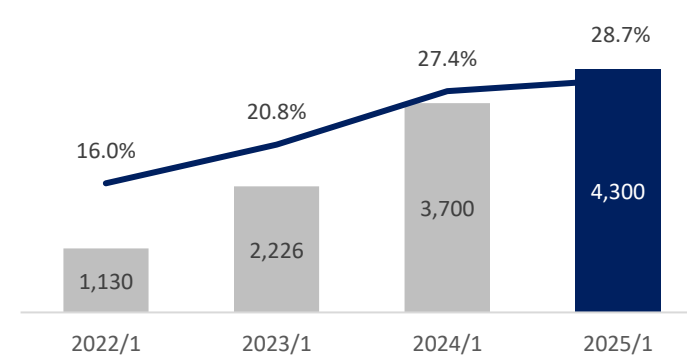
% Sales margin



Operating Income

JPY MM

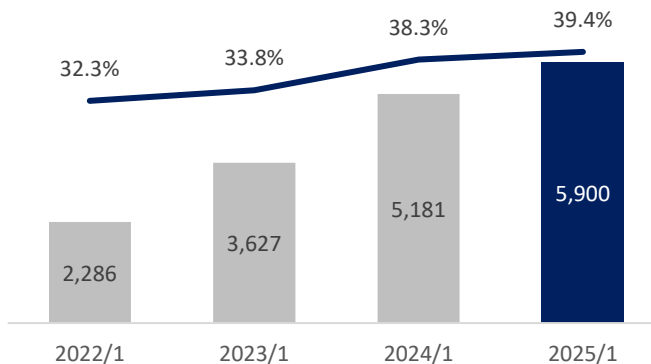
% Sales margin



EBITDA ⁽²⁾

JPY MM

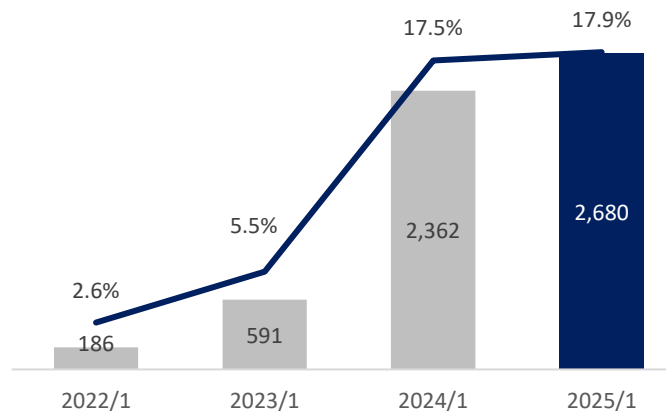
% Sales margin



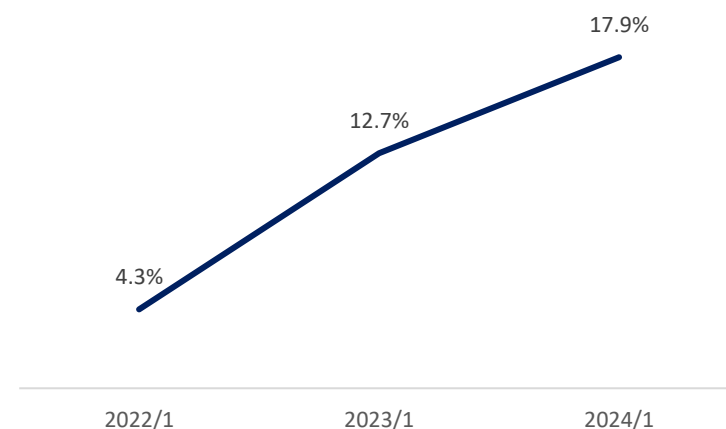
Net Income

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)

FY2025/1 Initiatives

鯖江 〇〇 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)

	FY2023/1	FY2024/1	% YoY	FY2025/1	% YoY
Revenue	10,722	13,528	126.2%	14,960	110.6%
COGs	2,508	3,042	121.3%	3,360	110.4%
Gross Margin	8,213	10,485	127.7%	11,600	110.6%
SG&A	5,997	6,689	111.5%	7,312	109.3%
Other Income/Other Expense	10	(96)	-893.8%	12	-12.5%
Operating Profit	2,226	3,700	166.2%	4,300	116.2%
EBITDA	3,627	5,181	142.8%	5,900	113.9%
Financing Costs	(921)	(404)	43.9%	(400)	98.8%
Income before income taxes	1,305	3,295	252.5%	3,900	118.3%
Income Taxes	713	932	130.7%	1,220	130.8%
Net Income	591	2,362	399.4%	2,680	113.4%
Gross margin (% of sales)	76.6%	77.5%		77.5%	
OP margin	20.8%	27.4%		28.7%	
EBITDA margin	33.8%	38.3%		39.4%	

1. EBITDA=Operating Profit + Depreciation + Amortization

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