For the First 6 Months of the Fiscal Year Ending January 2025

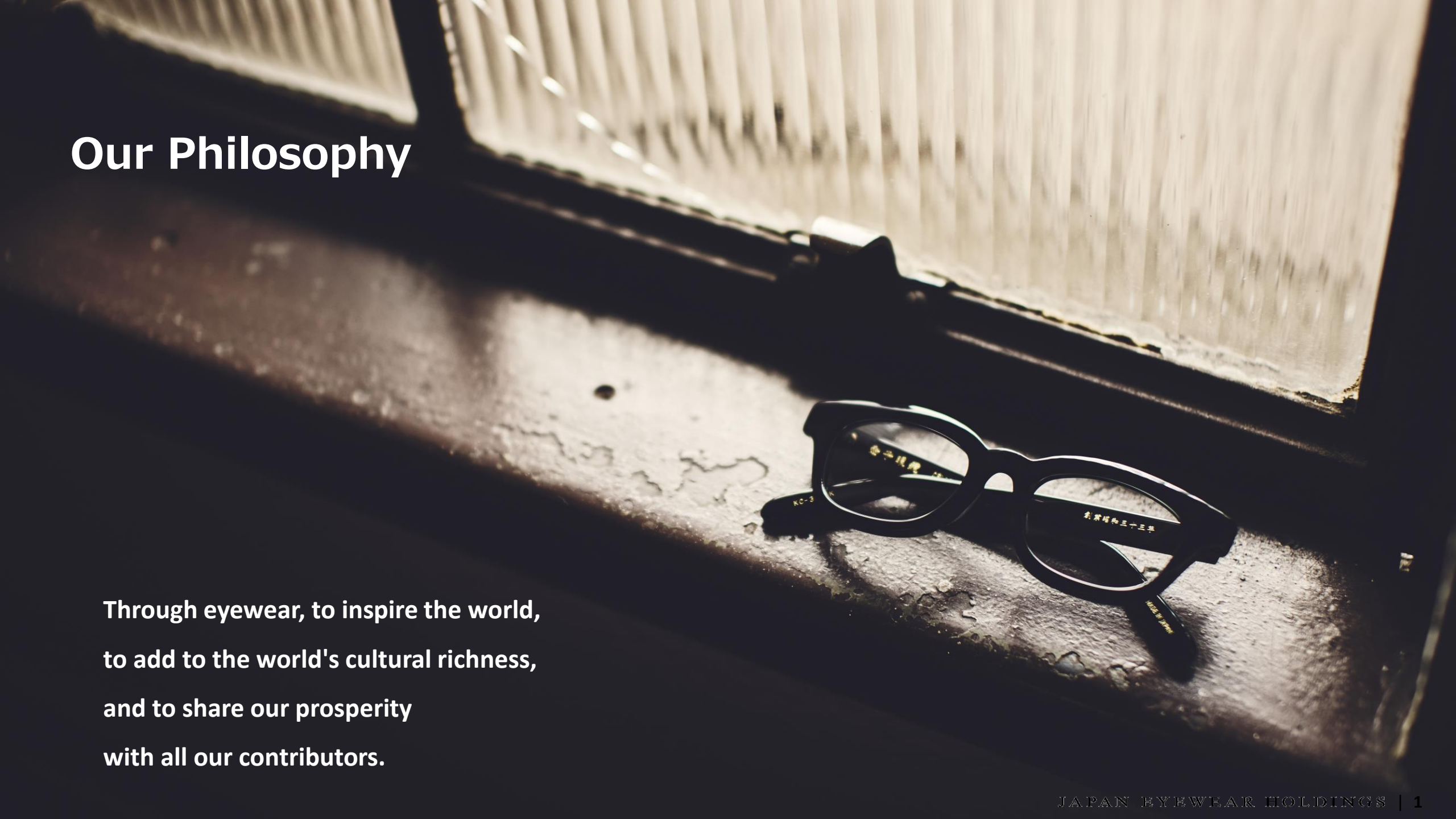
Financial Results Briefing

JEH
JAPAN EYEWEAR HOLDINGS

September 2024

Japan Eyewear Holdings Co., Ltd.
Securities code : 5889

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.

Contents

01　Overview of FY2025 Q2 Results

02　JEH Group's Business Model and Growth Strategies

01

Overview of FY2025 Q2 Results

FY2025 Q2 Initiatives



Opened 6 new stores in Japan
(including 2 relocations)



Opened 2nd Chinese direct store
at Sinan Mansions in April 2024



Achieved ¥1.6 bn in sales to inbound tourists
via recovery of inbound demand



Conducted price increases for both brands

May 2024: Made Taiho Co., Ltd., a Sabae-based eyewear manufacturer, a subsidiary
July 2024: Reduced interest burden by refinancing bank loans

August 2024: Opened 3rd store in China in Shanghai

New Stores

February 2024 Kaneko, Narita Airport



March 2024 Kaneko, Tennoji MIO



April 2024 999.9, Narita Airport



March 2024 Kaneko, LUMINE Omiya



April 2024 Kaneko, Chunichi Bldg.



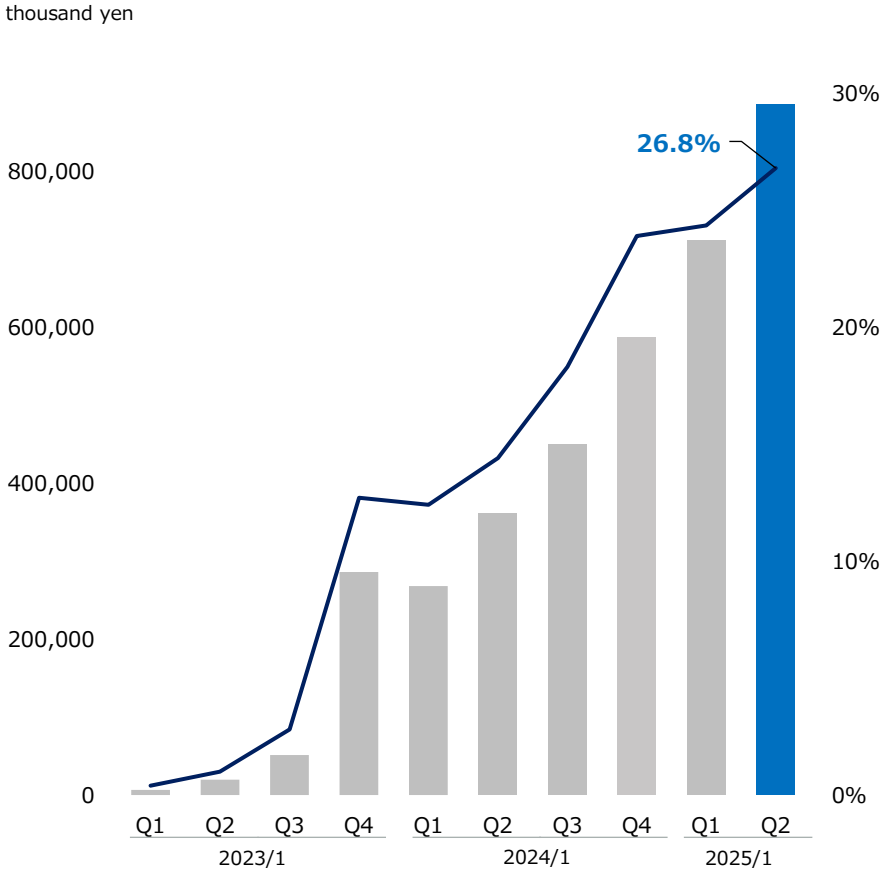
March 2024 Kaneko, CoCoLo Niigata



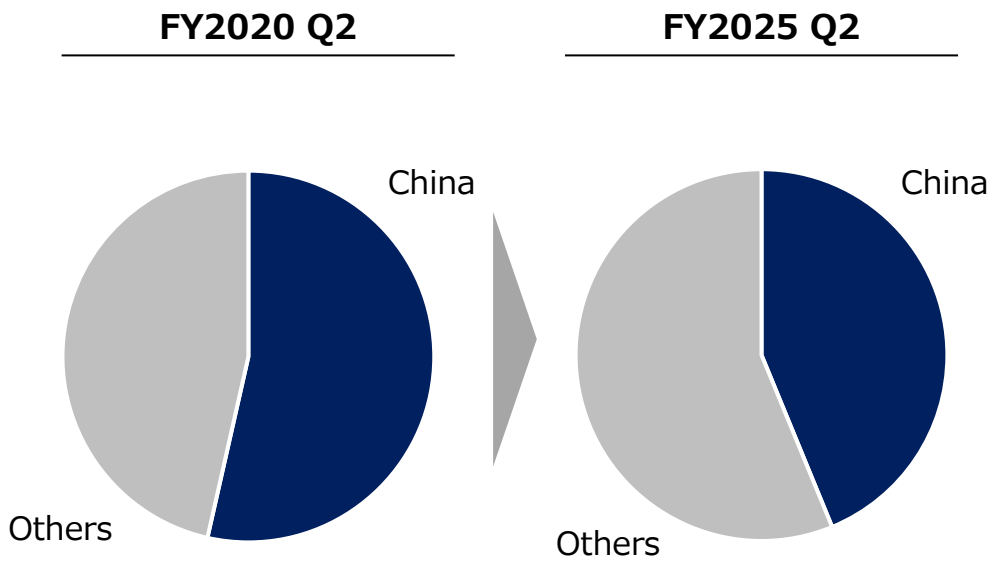
Capture of Inbound Demand from Increase in Foreign Visitors

Sales to inbound tourists has remained strong.
With the full recovery of inbound tourists from China, sales are expected to further increase

JEH Sales to Inbound Tourists(1)



JEH Sales to Inbound Tourists



Note:
1. Sales from inbound tourists in directly managed stores (excl. sales via wholesalers)

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

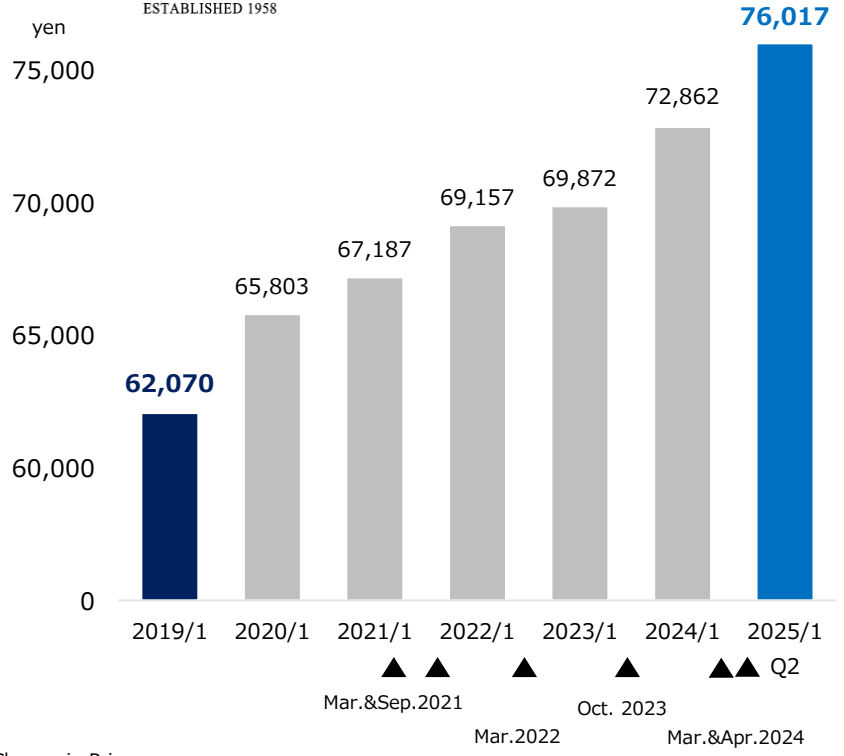
Owning 2 brands with high presence in the domestic eyewear market allows further expansion of the brands as a group, via product offering of luxury eyewear products across various categories. As a result, JEH has been realizing growth at existing stores through continuous increase in unit price

Consistent Increase in Unit Price (1)

鯖江 手造
金子眼鏡
ESTABLISHED 1958

Kaneko Optical

vs. 2019/1
+22.5%

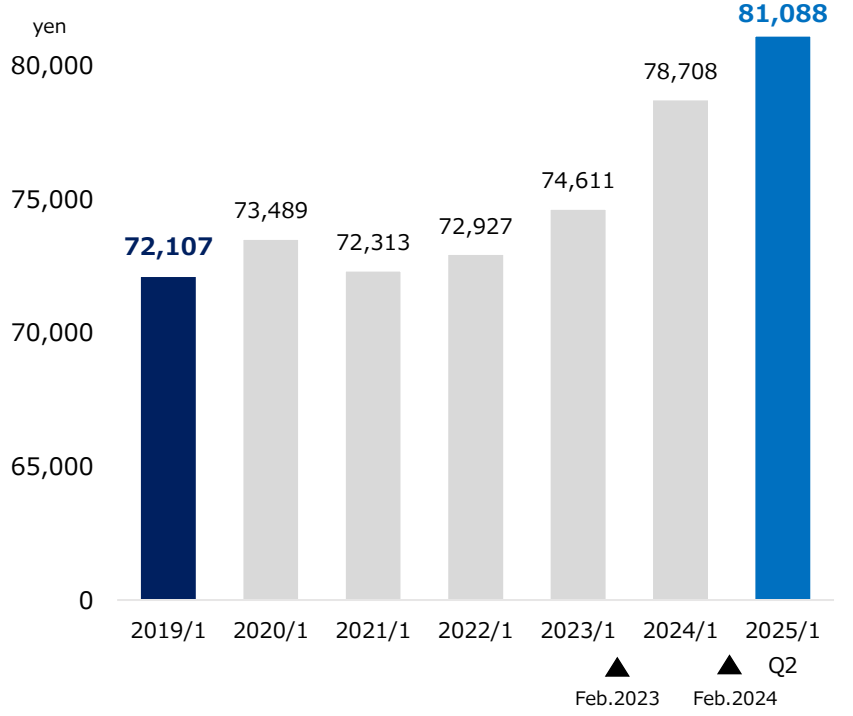


▲ Change in Price

999.9

Four Nines

vs. 2019/1
+12. 5%



▲ Change in Price

Note:
1. Unit price refers to aggregated price of eyewear frames and lenses. Aggregated every fiscal year, from February 1st to January 31st

Acquisition of Taiho Co., Ltd.

Taiho Co., Ltd. is a manufacturer of metal and plastic frames for eyewear headquartered in Sabae City, Fukui Prefecture.
JEH expects that the skills and experience possessed by the company will serve to strengthen the manufacturing capabilities of the Group, which is aiming to make a further leap forward in the eyewear industry.
Through this conversion into a subsidiary, JEH will seek to expand the services and enhance the quality provided by the Group in keeping up efforts to further enhance corporate value.

(1) Company name	Taiho Co., Ltd.
(2) Address	Sabae, Fukui prefecture
(3) CEO	Eio Nakamura
(4) Business	Eyewear manufacturer (Metal and plastic frames)
(5) Share capital	JPY 10 million
(6) Date of establishment	June 1970
(7) Relationship with JEH	Taiho has business transactions with Four Nines Co., Ltd., which is JEH’s subsidiary.

3rd Store in China

Following on from our 1st store in China in April 2023 and 2nd store in China in April 2024, opened our 3rd store in China in Shanghai in August 2024



■Kaneko, Rockbund

Known as part of the Bund district of Shanghai, Rockbund is located along the Huangpu River and lined with Art Deco style structures built in the 1920s to 1930s. With these buildings serving as reflections of Shanghai's position then as an international financial and commercial hub, and now redeveloped as a restaurant, hotel and luxury shopping area, it is loved by many tourists and locals for its beautiful architecture and historical charm.

Executive Summary

Store sales continued to perform well, with revenue increasing 29.6% YoY to 8.3 billion yen.
Profit margins also remained high, with the operating profit margin exceeding 33% for the six-month period and operating profit reaching 2.7 billion yen, 1.5 times higher than the same period last year.

Consolidated
(IFRS)

Revenue

JPY8.3 bn

vs.FY2024/1Q2 129.6%

Gross Margin(% of sales)

78.7 %

vs.FY2024/1Q2 +1.3 pt

SG&A

JPY3.7 bn (45.7% vs. sales)

vs.FY2024/1Q2 119.8%

Operating Profit

JPY2.7 bn (33.2% vs. sales)

vs.FY2024/1Q2 153.5%

Net Income

JPY1.6 bn (20.2% vs. sales)

vs.FY2024/1Q2 162.5%

Adjusted EBITDA

JPY3.5 bn (43.3% vs. sales)

vs.FY2024/1Q2 141.2%

Non-consolidated

Kaneko Optical Same Store Sales (YoY)

Q1 - Q2 (6 months)	**120.9 %**
Q2 (3 months)	**118.4 %**

Four Nines Same Store Sales (YoY)

Q1 - Q2 (6 months)	**119.7 %**
Q2 (3 months)	**114.4 %**

Consolidated P/L (Q1-Q2 6months)

(million yen)

(IFRS)

	FY2024/1 Q2	FY2025/1 Q2	Variance	% YoY
Revenue	6,403	8,300	1,896	129.6%
COGs	1,446	1,766	319	122.1%
Gross Margin	4,956	6,534	1,577	131.8%
SG&A	3,164	3,792	627	119.8%
Other Income/Other Expense	2	13	10	461.2%
Operating Profit	1,794	2,754	959	153.5%
EBITDA	2,510	3,564	1,053	142.0%
Adjusted EBITDA	2,546	3,596	1,049	141.2%
Financing Costs	(212)	(271)	(59)	127.8%
Income before income taxes	1,582	2,482	900	156.9%
Income Taxes	550	805	255	146.5%
Net Profit	1,031	1,677	645	162.5%
Adjusted Net Profit	1,055	1,698	643	161.0%
Gross margin (% of sales)	77.4%	78.7%		
OP margin	28.0%	33.2%		
EBITDA margin	39.2%	42.9%		

Notes:
1. EBITDA = Operating profit + Depreciation + Amortization of identifiable assets
2. Adjusted EBITDA = EBITDA + IPO related cots (Note 3) + M&A related costs (Note 4)
3. One-time costs for IPO preparation, advisory fee for IFRS introduction, consultation fees, etc.
4. M&A related costs for the acquisition of Taiho in FY2025 Q1.

Performance Progress

The results for the 6 months showed steady progress with the rate of achievement against the full-year earnings guidance for revenue at 55.5% and for operating profit at 64.1%.

To assess future economic trends and changes in the number of inbound tourists, the full-year earnings guidance has been left unchanged for now.

(IFRS) (million yen)

	FY2025 Full year (Guidance)	FY2025 Q2 (Actual)	Rate of Achievement
Revenue	14,960	8,300	55.5%
Operating Profit	4,300	2,754	64.1%
EBITDA	5,900	3,564	60.4%
Adjusted EBITDA	5,900	3,596	61.0%
Net Profit	2,680	1,677	62.6%
Adjusted Net Profit	2,680	1,698	63.4%

Notes:
1. EBITDA = Operating profit + Depreciation + Amortization of identifiable assets
2. Adjusted EBITDA = EBITDA + IPO related cots (Note 3) + M&A related costs (Note 4)
3. One-time costs for IPO preparation, advisory fee for IFRS introduction, consultation fees, etc.
4. M&A related costs for the acquisition of Taiho in FY2025 Q1.

Consolidated P/L (Q2 (3months))

(IFRS)

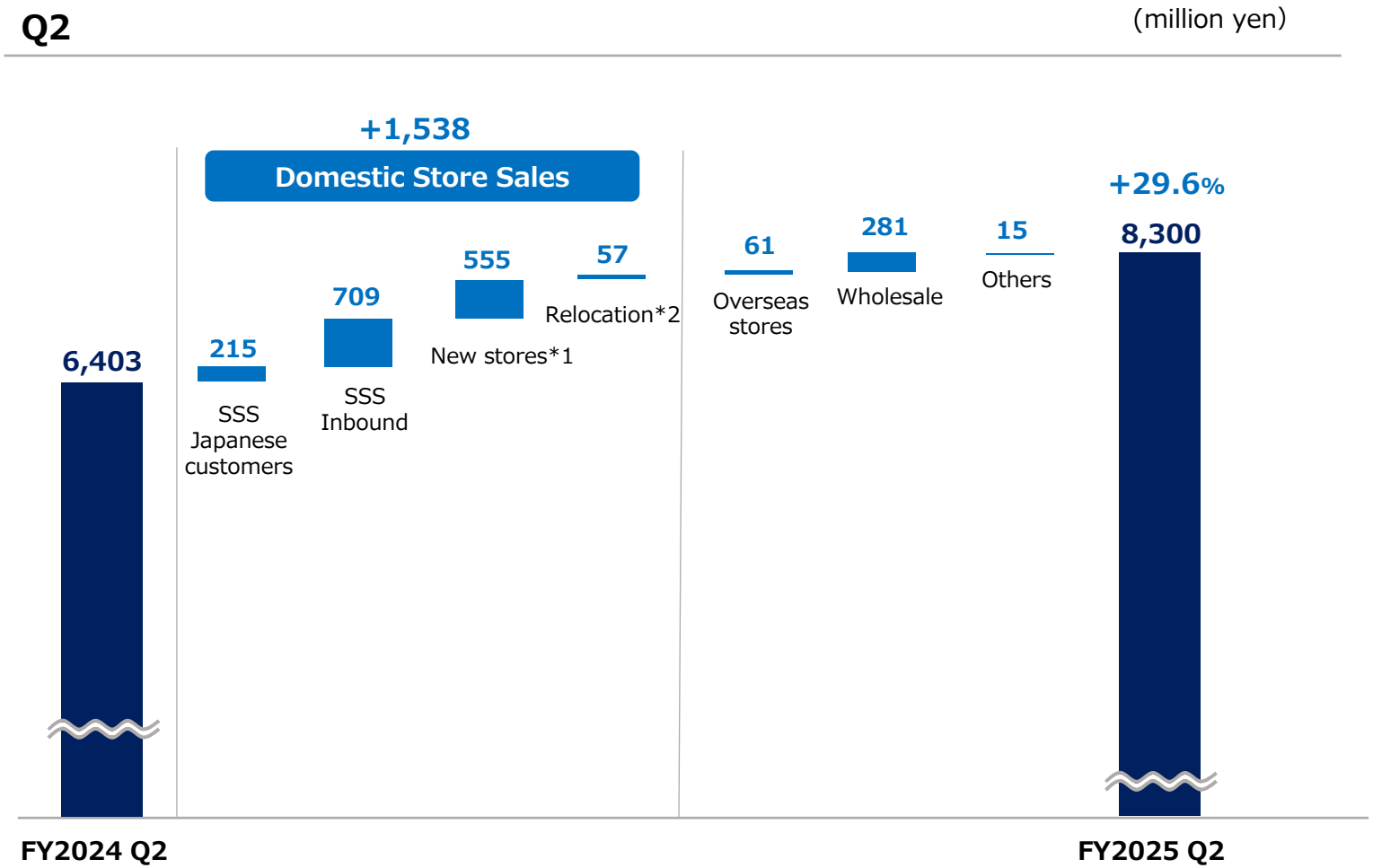
(million yen)

	FY2024 Q2 (May - Jul.)	FY2025 Q2 (May - Jul.)	Variance	% YoY
Revenue	3,485	4,439	954	127.4%
COGs	802	922	120	115.0%
Gross Margin	2,682	3,516	833	131.1%
SG&A	1,644	1,965	320	119.5%
Other Income/Other Expense （	(2)	8	11	–
Operating Profit	1,035	1,559	523	150.6%
EBITDA	1,397	1,972	575	141.2%
Adjusted EBITDA	1,399	1,979	579	141.4%
Financing Costs	(107)	(178)	(70)	165.7%
Income before income taxes	927	1,380	453	148.9%
Income Taxes	190	440	250	231.4%
Net Profit	737	940	203	127.5%
Adjusted Net Profit	738	944	206	127.9%
Gross margin (% of sales)	77.0%	79.2%		
OP margin	29.7%	35.1%		
EBITDA margin	40.1%	44.4%		

Notes:
1. EBITDA = Operating profit + Depreciation + Amortization of identifiable assets
2. Adjusted EBITDA = EBITDA + IPO related cots (Note 3) + M&A related costs (Note 4)
3. One-time costs for IPO preparation, advisory fee for IFRS introduction, consultation fees, etc.
4. M&A related costs for the acquisition of Taiho in FY2025 Q1.

Revenue FY2024 Q2 vs. FY2025 Q2

(IFRS)



Notes
1. Effect of FY2024/01 9 new stores, FY2025/01Q2 4 new stores
2. Effect of FY2024/01 1 relocation, FY2025/01Q2 2 relocations

Revenue by Channel (Q1-Q2 (6months))

(IFRS)

(million yen)

鯖江 手造
金子眼鏡
ESTABLISHED 1958

Kaneko Optical

	FY2024 Q2	FY2025 Q2	Variance	% YoY
Store sales	3,645	4,852	1,206	133.1%
Wholesale sales (Domestic)	149	173	23	115.8%
Wholesale sales (Overseas)	253	328	74	129.4%
Others	13	11	(1)	89.9%
Sub-total	4,062	5,365	1,303	132.1%

9999

Four Nines

	FY2024 Q2	FY2025 Q2	Variance	% YoY
Store sales	1,150	1,543	393	134.2%
Wholesale sales (Domestic)	768	843	75	109.9%
Wholesale sales (Overseas)	421	529	107	125.6%
Others	1	17	16	1,387.3%
Sub-total	2,341	2,934	593	125.3%
Total	6,403	8,300	1,896	129.6%

Revenue by Channel (Q2 (3months))

(IFRS)

(million yen)

Kaneko Optical

	FY2024 Q2 (May - Jul.)	FY2025 Q2 (May - Jul.)	Variance	% YoY
Store sales	1,950	2,576	625	132.1%
Wholesale sales (Domestic)	56	58	1	103.3%
Wholesale sales (Overseas)	136	198	62	145.8%
Others	6	6	(0)	90.9%
Sub-total	2,150	2,839	689	132.0%

Four Nines

	FY2024 Q2 (May - Jul.)	FY2025 Q2 (May - Jul.)	Variance	% YoY
Store sales	634	825	190	130.0%
Wholesale sales (Domestic)	474	557	82	117.3%
Wholesale sales (Overseas)	224	200	(23)	89.4%
Others	0	16	15	2,510.7%
Sub-total	1,334	1,599	264	119.8%
Total	3,485	4,439	954	127.4%

Consolidated SG&A (Q1-Q2 (6months))

(IFRS)

(million yen)

		FY2024 Q2	FY2025 Q2	Variance	% YoY
SG&A		3,164	3,792	627	119.8%
	vs. Sales	49.4%	45.7%	– 3.7Pt	-
Personnel expenses		1,322	1,454	132	110.0%
	vs. Sales	20.7%	17.5%	– 3.1Pt	-
Depreciation*		692	784	91	113.3%
	vs. Sales	10.8%	9.4%	– 1.4Pt	-
Rent expenses		343	465	122	135.6%
	vs. Sales	5.4%	5.6%	0.2Pt	-
Commission fee		176	255	79	144.9%
	vs. Sales	2.8%	3.1%	0.3Pt	-
Sales promotion expenses		179	220	41	122.8%
	vs. Sales	2.8%	2.7%	– 0.1Pt	-
Sales agency expenses		75	139	64	184.7%
	vs. Sales	1.2%	1.7%	0.5Pt	-
Advertising expenses		24	27	3	112.5%
	vs. Sales	0.4%	0.3%	– 0.1Pt	-
Other expenses		350	444	94	126.8%
	vs. Sales	5.5%	5.4%	– 0.1Pt	-

*Depreciation includes depreciation of right-of-use assets related to store leases. (FY2024 Q2: ¥582 million, FY2025 Q2: ¥665 million)

Consolidated SG&A (Q2 (3months))

(IFRS)

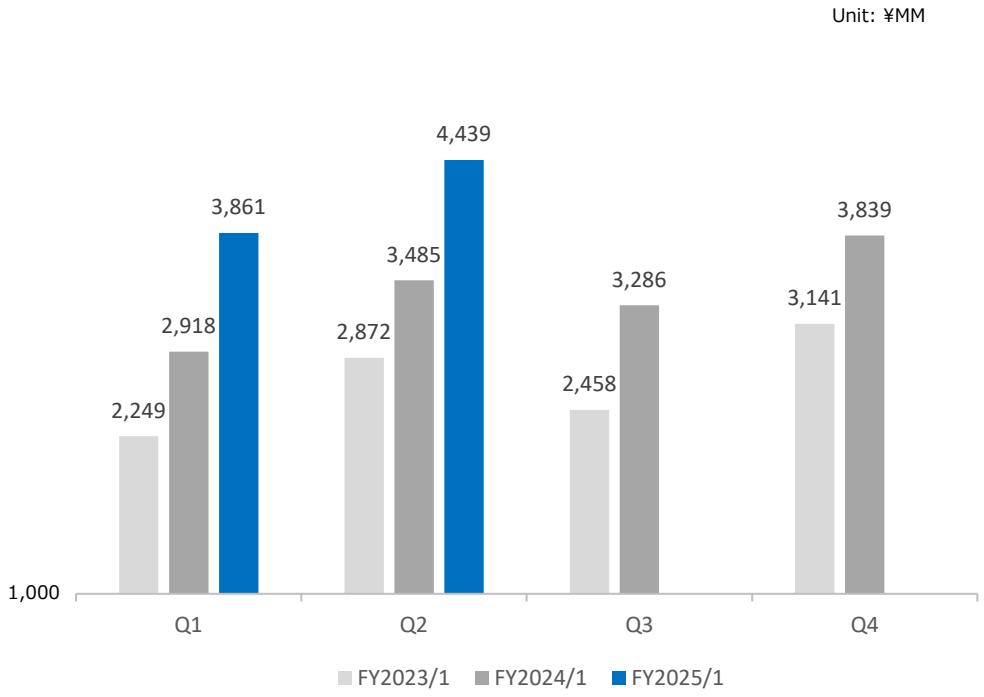
(million yen)

		FY2024 Q2 (May - Jul.)	FY2025 Q2 (May - Jul.)	Variance	% YoY
SG&A		1,644	1,965	320	119.5%
	vs. Sales	47.2%	44.3%	– 2.9Pt	-
Personnel expenses		688	752	63	109.3%
	vs. Sales	19.8%	16.9%	– 2.8Pt	-
Depreciation*		350	400	50	114.4%
	vs. Sales	10.0%	9.0%	– 1.0Pt	-
Rent expenses		188	250	62	133.0%
	vs. Sales	5.4%	5.6%	0.2Pt	-
Commission fee		92	115	22	124.5%
	vs. Sales	2.7%	2.6%	– 0.1Pt	-
Sales promotion expenses		90	120	29	132.8%
	vs. Sales	2.6%	2.7%	0.1Pt	-
Sales agency expenses		44	73	29	164.7%
	vs. Sales	1.3%	1.7%	0.4Pt	-
Advertising expenses		20	23	3	118.0%
	vs. Sales	0.6%	0.5%	– 0.0Pt	-
Other expenses		169	228	59	135.0%
	vs. Sales	4.9%	5.1%	0.3Pt	-

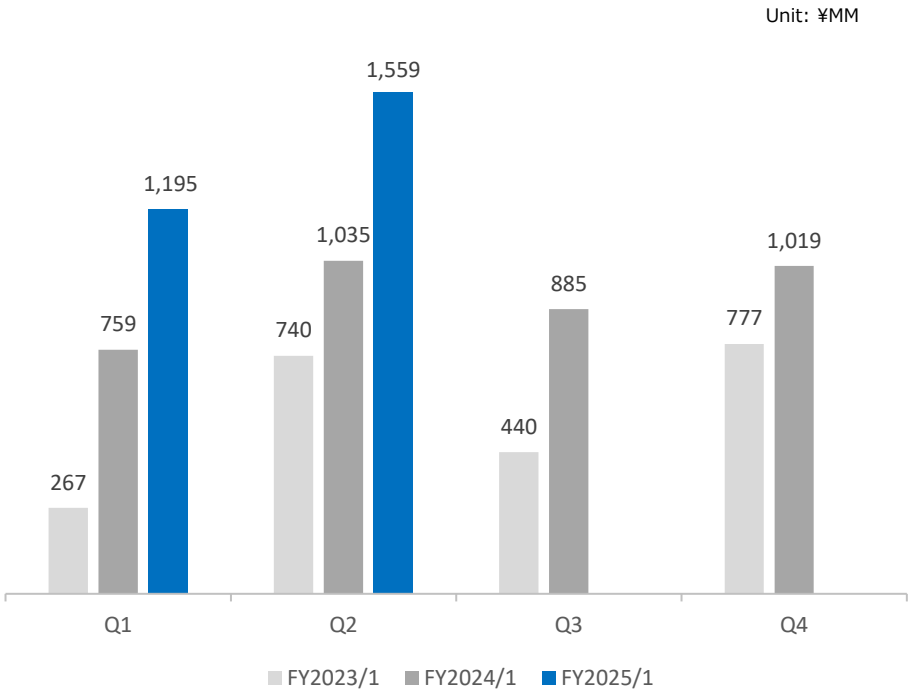
*Depreciation includes depreciation of right-of-use assets related to store leases. (FY2024 Q2: ¥294 million, FY2025 Q2: ¥338 million)

Quarterly Trends

Revenue



Operating Profit



Consolidated B/S

(IFRS)

(million yen)

	As of Jan. 31, 2024	As of Jul.31, 2024	Variance	Change from the end of FY2024
Total Assets	34,766	36,136	1,369	103.9%
Composition ratio	100.0%	100.0%	-	-
Current Assets	7,240	7,102	(137)	98.1%
Composition ratio	20.8%	19.7%	-	-
Non-current Assets	27,526	29,033	1,507	105.5%
Composition ratio	79.2%	80.3%	-	-
Current Liabilities	4,293	4,616	323	107.5%
Composition ratio	12.3%	12.8%	-	-
Non-current Liabilities	17,202	16,973	(228)	98.7%
Composition ratio	49.5%	47.0%	-	-
Total Equity	13,270	14,545	1,274	109.6%
Composition ratio	38.2%	40.3%	-	-
Balance of Bank Loans	13,850	13,375	(475)	96.6%
Inventories	1,497	1,674	176	111.8%

Consolidated CF

(IFRS)

(million yen)

	FY2024 Q2	FY2025 Q2	Details	
Operating Cash Flow(sub-total)	2,250	3,441		
Operating Cash Flow	1,333	2,612	Profit before tax	+2,482
			Depreciation	+810
			Decrease (Increase) in inventories	(106)
			Income taxes paid	(685)
Investing Cash Flow	(206)	(1,262)	Purchase of property, plant and equipment	(1,073)
			Purchase of shares of subsidiaries	(146)
Financing Cash Flow	(1,064)	(1,779)	Dividends paid to shareholders	(454)
			Repayments of long-term borrowings	(561)
			Repayments of lease liabilities	(662)
			Refinancing cost paid	(100)
Cash and Cash equivalents at end of period	2,312	4,032		

Stores Opened / Closed

Results for Feb.-Jul. 2024	New Opening*	**7**	Cosed / Relocation	**3**	# of stores as of Jul.31, 2024	**102**
Full-year plan	New Opening*	**9**	Cosed / Relocation	**3**	# of stores as of Jan.31, 2025	**104**

	# of stores as of Jan. 31, 2024	Results for Feb.-Jul. 2024 New Opening	Results for Feb.-Jul. 2024 Closed / Relocation	Results for Feb.-Jul. 2024 # of stores as of Jul. 31, 2024	Full-year plan New Opening	Full-year plan Closed / Relocation	Full-year plan # of stores as of Jan. 31, 2025
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

Note:
*Including openings of existing stores relocated to favorable neighborhood locations.

Stores Opened / Closed (details)

Company	Month	New / Close	Store Name
Kaneko Optical	Feb.	New	KANEKO GANKYO-TEN, Narita Airport
	Feb.	Close (relocation)	KANEKO OPTICAL, Hirakata T-site
	Feb.	Close (relocation)	KANEKO GANKYO-TEN, Abeno Harukas
	Mar.	Close (relocation)	KANEKO GANKYO-TEN, Nagoya
	Mar.	New	KANEKO GANKYO-TEN, Lumine Omiya
	Mar.	New (relocation)	KANEKO GANKYO-TEN, Tennoji Mio
	Mar.	New	KANEKO GANKYO-TEN CoCoLo Niigata
	Apr.	New (relocation)	KANEKO GANKYO-TEN, Chunichi Bldg.
Four Nines	Apr.	New	999.9, Narita Airport
Kaneko Shanghai	Apr.	New	Kaneko, Sinan Mansions
Kaneko Shanghai	Aug.	New	KANEKO GANKYO-TEN, ROCKBUND
Kaneko Optical	Sep.	New (relocation)	KANEKO GANKYO-TEN, Hirakata Mall
	Sep.	New	KANEKO GANKYO-TEN, Emi Terrace Tokorozawa

Capital Allocation

Return to shareholders, loan repayment and growth investment will be implemented with an appropriate balance using ample cash generated as the source of funds.

Generation of Ample Operating Cash Flow

- **Active return to shareholders**
- **Loan repayment**
- **Investment in stores in Japan and abroad**
- **Investment in strengthening manufacturing capabilities**

Dividend Policy

Adopting a basic policy of maintaining stable dividend payouts while securing internal reserves necessary for future business expansion and strengthening the management structure, the policy is to pay out dividends at an annual payout ratio target of **40%**.

FY2025/1

Annual dividend per share: **¥44** (plan)

Interim dividend per share: **¥22** (as initially planned)

02

JEH Group's Business Model and Growth Strategies

Portfolio of Japanese Luxury Eyewear Brands

We produce the highest-quality eyewear with original designs in an experienced-based craftsmanship process created in the unique and world renowned eyewear production region of Sabae, Fukui Prefecture, sold via our network of luxury retail boutiques(1)

Japan Eyewear Holdings

Kaneko Optical

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

Since	1958
Revenue	JPY8.6 bn (FY2024) About 90% sold via directly managed stores
Stores	Directly managed stores: 82 in Japan, 2 in France, 2 in China (as of July 31, 2024)
Unit Price(2)	Approx. JPY76,000



Kaneko Optical



SPIVVY



CRAFTSMAN SERIES



ISSEY MIYAKE EYES

Four Nines

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

Since	1995
Revenue	JPY4.9 bn (FY2024) Approx. 50% sold via directly managed stores and 50% via wholesalers
Stores	Directly managed stores: 15 in Japan, 1 in Singapore (as of July 31, 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 from directly managed stores
2. Unit price refers to aggregated price of eyewear frames and lenses based on actual prices during FY2025/1 Q2.

World's Renowned "Sabae" Brand

Sabae has established a solid position as one of the world's three largest producers of eyewear.
Through creation of employment and production of environmentally-friendly and sustainable luxury products, we seek to revitalize the community.

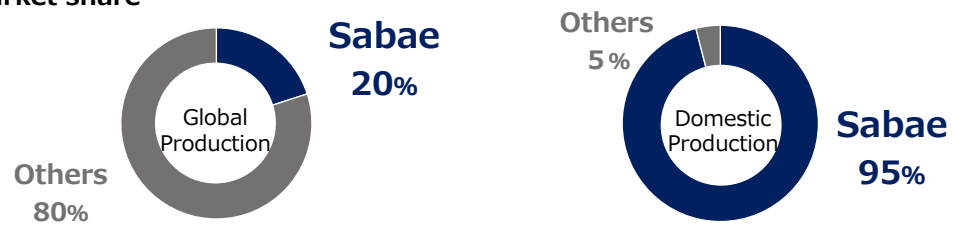
Production of High-quality Eyeglass Frames in Sabae, One of the World's Largest Production Centers

Sabae is one of the three major eyeglass frame production centers with a history of over 100 years

Three Major Eyeglass Frame Production Centers

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

Market share



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

COOL JAPAN AWARD 2015

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

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

Source: Sabae City PR website, Nikkei Value Search

Community Support in Sabae (Part of ESG Initiatives)

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

9 産業と技術革新の基盤をつくろう

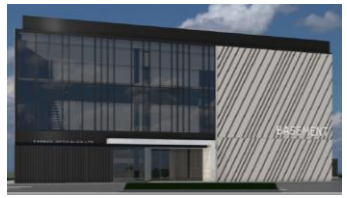
11 住み続けられるまちづくりを

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

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

History of Establishment of Production Sites in 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







	Planning/designing	In-house production	Store sales
Kaneko Optical	**In-house design** • Planning of fashionable eyewear reflecting ideas **incubated in the production process as well as market data** • Procurement of frame materials, lenses, etc., from **manufacturers mainly in Sabae**	**In-house production** • **Conduct all (1) production and manufacturing processes in-house** • **Combination of traditional craftsmanship and manufacture by machines** to produce products with a unique surface finish	**Sales at our directly managed stores** • Elaborately designed stores at **prime locations in respective commercial districts** • **Strengthened marketing and store operation** through utilization of customer data and effective human resources.
999.9	In-house design	Outsourcing to external craftsmen	Sales either through direct store or wholesale

Integrating in-house processes from production to distribution allows us to pursue both "craftsmanship / high quality" and "profitability / efficiency"

Utilization of Kaneko's factories

Strengthening of direct store opening leveraging Kaneko's know-hows

Notes:
1. Excludes molding, pressing and metal frame special 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, one of the world's three largest producers of eyewear

BASEMENT

For metal and plastic frames







BACKSTAGE

Producing plastic frames



GLASSWORKS

Producing metal frames



New Factory to be Built

To be completed in 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 in prime locations with sophisticated store designs

Opening Stores in Prime Locations with Designs that Attract Customers and Enhances the 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 Rollout of Global Store Network and Partnerships**

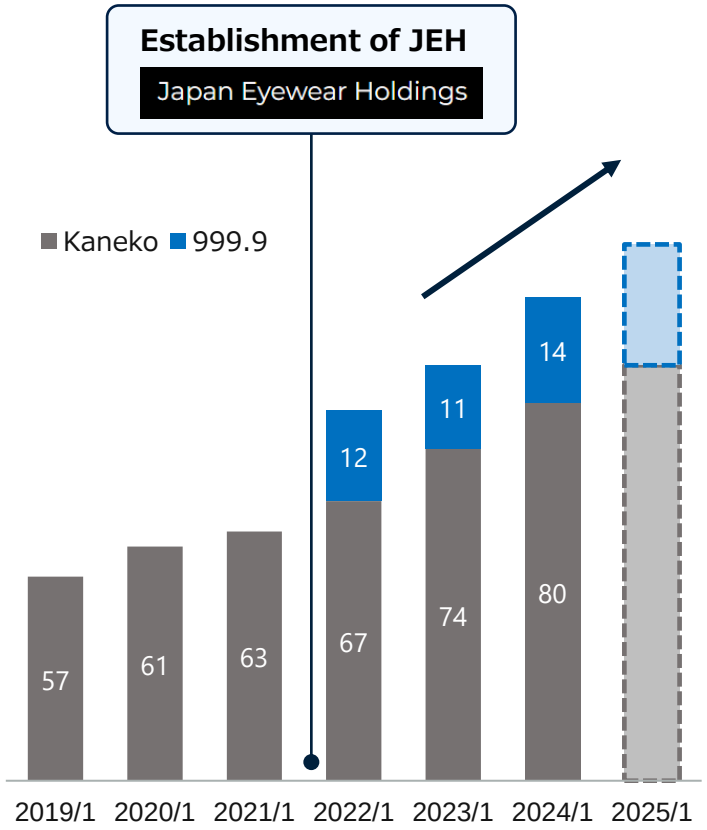
3. **Group Synergies Achieved Through Integration of Kaneko and 999.9**

4. **Continuous Growth of Existing Stores Driven by Brand Strength 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

Number of Directly Managed Stores in Japan(1)



Target Number of New Stores After Fiscal Year Ended January 2024

999.9

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

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- Continuously seek to open stores in prime locations such as street level stores as well as in department stores and commercial facilities
- Seek to strengthen store openings in regional areas of Japan where the brand has penetrated

Steadily open 5-10 new stores per year for both Kaneko and 999.9(2) (net increase will be fewer stores as it includes relocations to better locations)

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 relocations of existing stores to favorable neighborhood locations

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

Seek to further expand its store network in fast-growing Asian countries, whilst nurturing brand image

Overview of Global Strategy

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

	Status Quo / Short-Term	Medium- to Long-Term
Target Area	Mainly in China	Greater China and other Asian countries
Strategy on Store Opening	Seek to enhance brand awareness by opening directly managed 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 directly managed stores (approx. several stores)	Consider wide ranging partnerships with global and local companies in addition to directly managed stores (approx. several dozen stores)

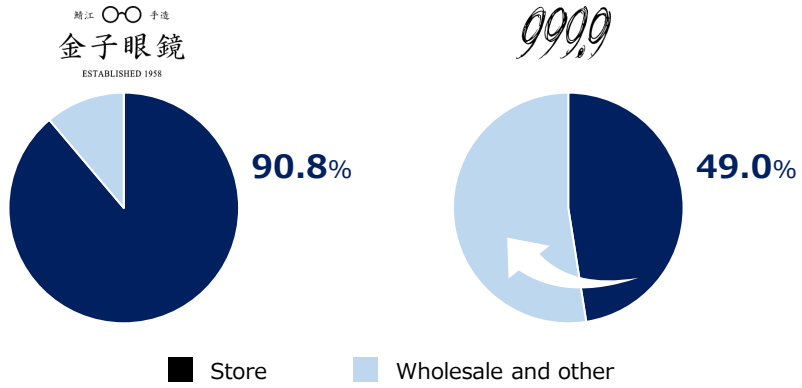
3 Group Synergies Achieved Through Integration of Kaneko and 999.9

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 higher profitability for 999.9, which has high wholesale sales ratio

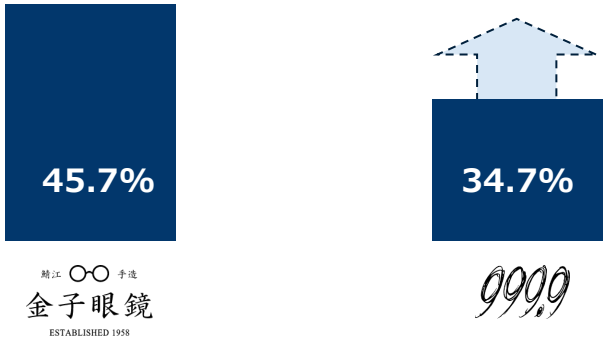
Synergies of Owning Both Kaneko and 999.9

Sales Growth	**Acceleration of Store Opening in Japan**	• Accelerate new store opening of directly managed 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
Profitability Improvement	**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

Sales Share of Kaneko and 999.9 (1)



Comparison of EBITDA Margins (1) of Kaneko and 999.9



Kaneko Optical　　Four Nines

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

4 Continuous Growth of Existing Stores Driven by Brand Strength

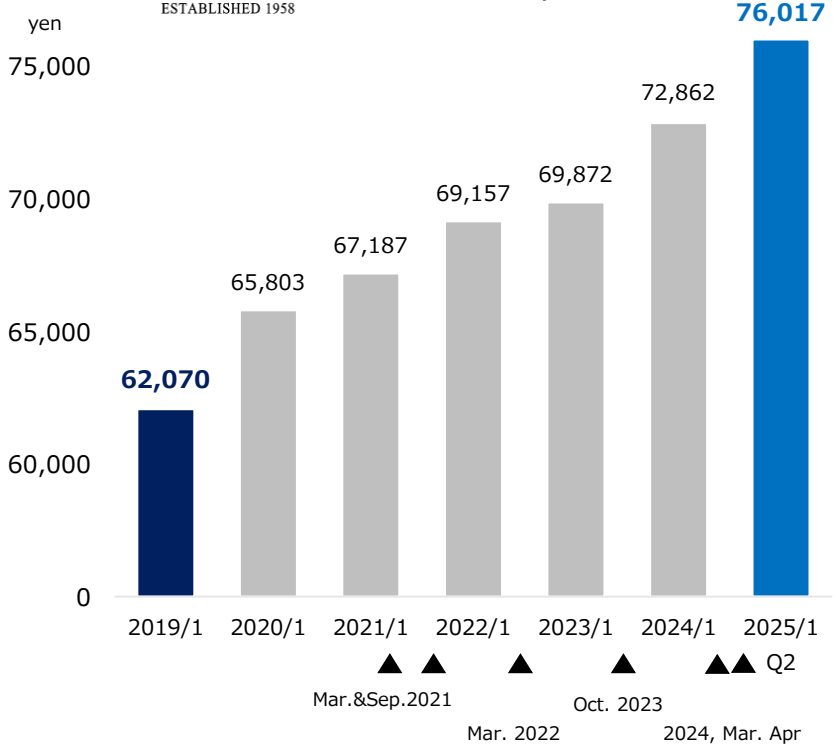
Owning 2 brands with high presence in the domestic eyewear market allows further expansion of the brands as a group, via product offering of luxury eyewear products across various categories. As a result, JEH has been realizing growth at existing stores through continuous increases in unit price

Consistent Increase in Unit Price (1)

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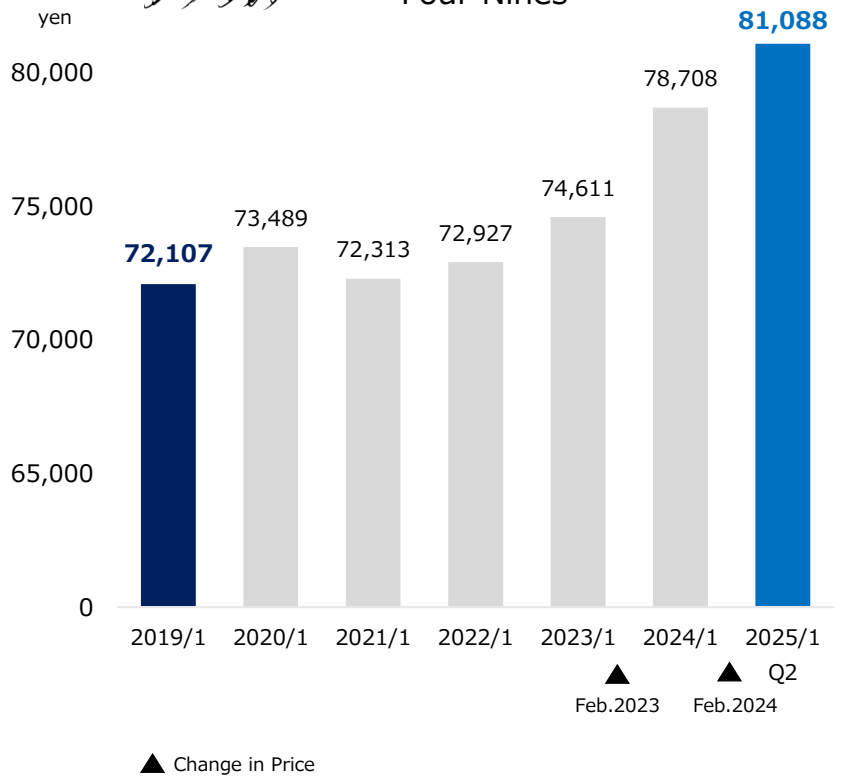
Kaneko Optical

vs. 2019/1
+22.5%



Four Nines

vs. 2019/1
+12.5%

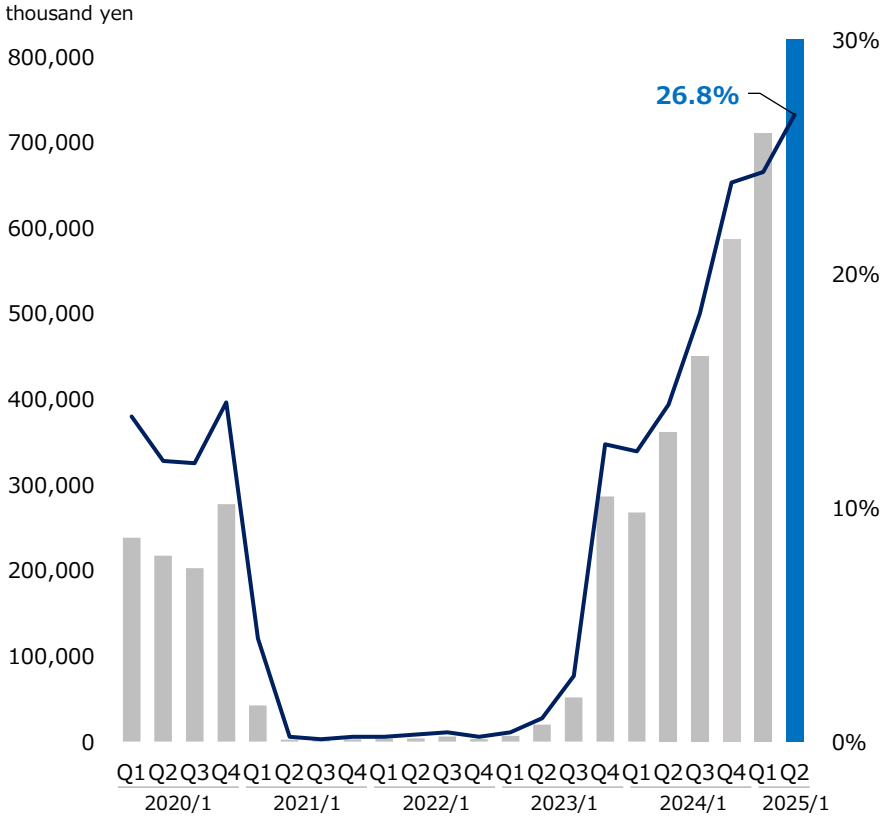


Notes:
1. Unit price refers to aggregate price of eyewear frames and lenses. Aggregated every fiscal year, from February 1st to January 31st

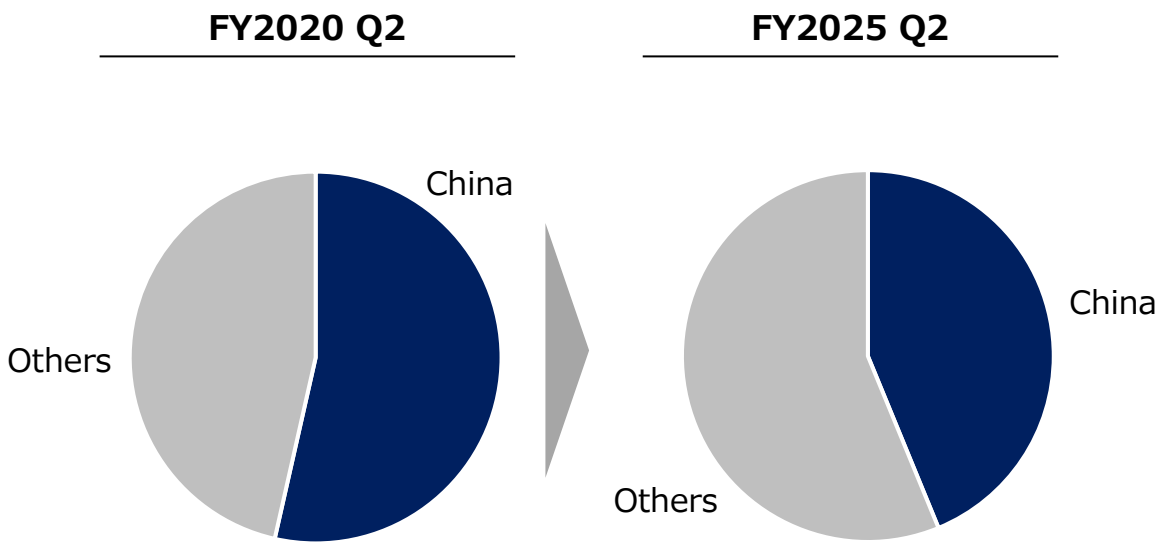
4 Capture of Inbound Demand from the Recovery of Foreign Visitors

Inbound demand has recovered to the pre-COVID-19 level. With the full recovery of inbound tourists from China, sales are expected to further increase.

JEH Sales to Inbound Tourists(1)



JEH Sales to Inbound Tourists by Region

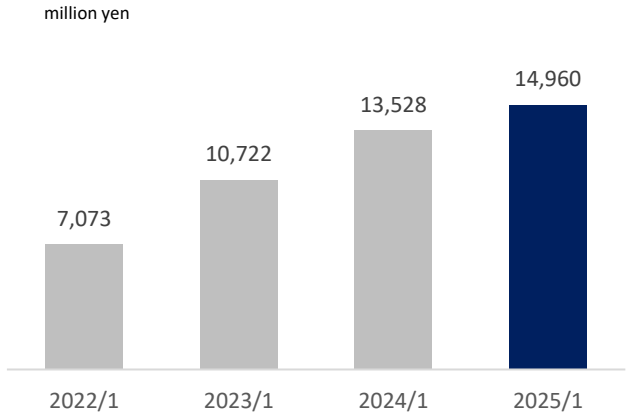


Notes:
1. Sales to inbound tourists at directly managed (excl. sales via wholesalers)

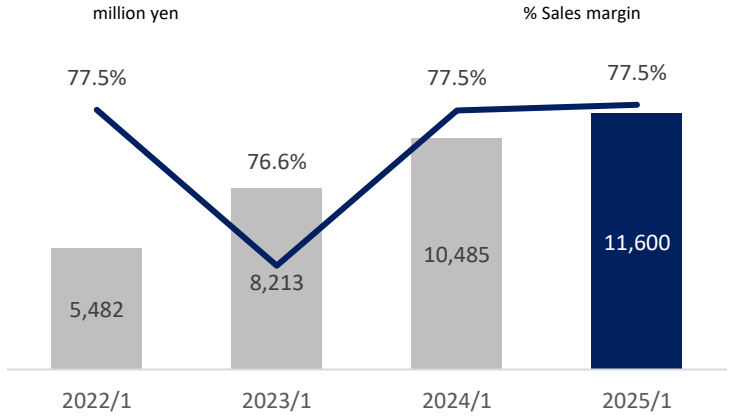
Appendix

Key Financials

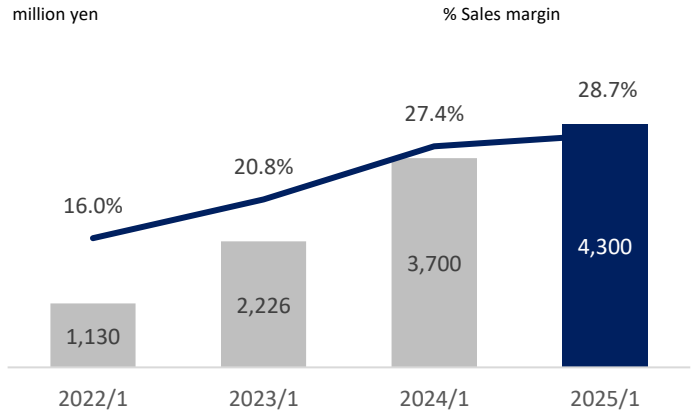
Revenue



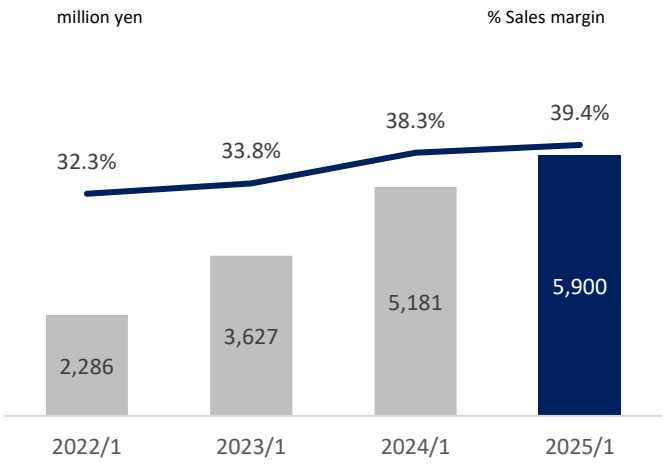
Gross Profit



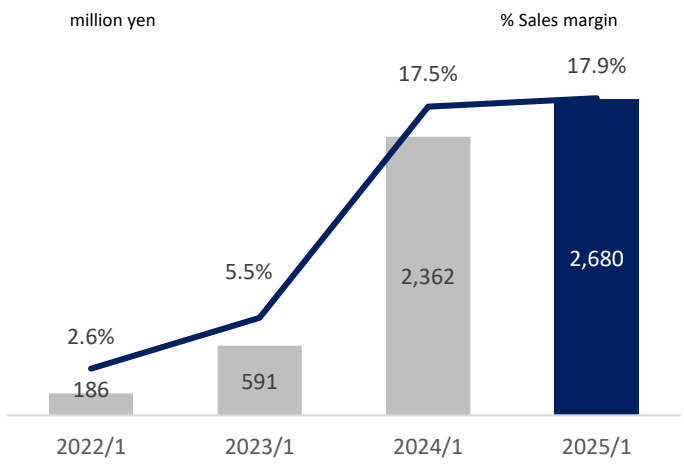
Operating Profit



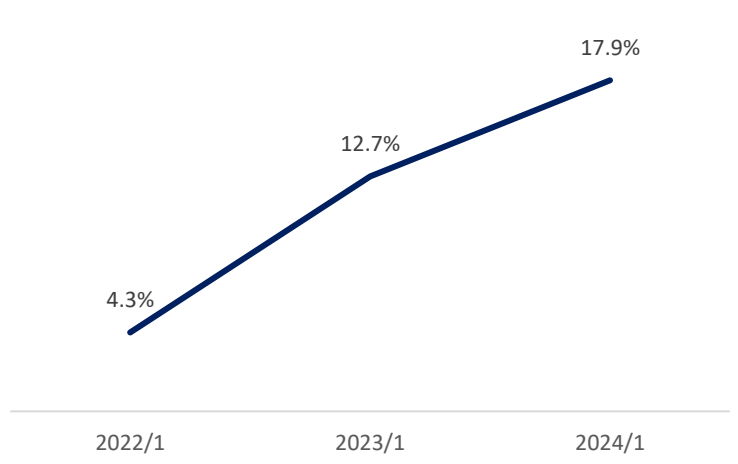
EBITDA[2]



Net Profit



ROE [3]



Notes:
1. Based on IFRS
2. EBITDA = Operating profit + Depreciation + Amortization of identifiable assets
3. ROE = Net profit / (Common stock + Capital surplus + Retained earnings) (as of fiscal year end)

FY2025/1 Initiatives

We believe that the growth rate for the fiscal year ending January 2025 will be slower than that of the fiscal year ending January 2024, which saw a rapid recovery from the spread of COVID-19.
However, the fiscal year ending January 2025 is a very important year in terms of strengthening the foundation for our group's medium- to long-term growth.
Through the following measures, we will ensure that we achieve a 10% annual revenue growth rate and achieve increased sales and profits.

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999.9

1. **More than 8 new stores in Japan (including 3 relocations)**
2. **More than 1 new store opening in China**
3. **Sales to inbound tourists : Approx. ¥1.9 bn (+14% vs. FY2024)**
4. **Further price increase for both Kaneko and 999.9**
5. **Continuing strict cost control**

Earnings Guidance for FY2025

(million yen)

(IFRS)

	FY2023	FY2024	% YoY	FY2025	% YoY
Revenue	10,722	13,528	126.2%	14,960	110.6%
Cost of sales	2,508	3,042	121.3%	3,360	110.4%
Gross Profit	8,213	10,485	127.7%	11,600	110.6%
SG&A	5,997	6,689	111.5%	7,312	109.3%
Other Income (Expenses)	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%
Finance Income (Costs)	(921)	(404)	43.9%	(400)	98.8%
Profit before Tax	1,305	3,295	252.5%	3,900	118.3%
Income Tax Expenses	713	932	130.7%	1,220	130.8%
Net Profit	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 of identifiable assets

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