For the First 9 Months of the Fiscal Year Ending January 2025

Financial Results Briefing

JEH
JAPAN EYEWEAR HOLDINGS

December 2024

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

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01

Overview of FY2025 Q3 Results

Revision of Full-Year Earnings Guidance for FY2025/1

In light of sales going strong and better-than-expected profit margins, the full-year earnings guidance has been revised upward as follows. In conjunction, the forecast has also been revised for year-end dividend to 29 yen per share. The forecast for annual dividend, which was 44 yen before, is now 51 yen.

(million yen)

	FY2024/1	Original Plan	Revised Plan	Original plan vs. Revised plan	Original plan vs. FY2024/1
Revenue	13,528	14,960	16,090	7.6%	18.9%
Operating Profit	3,700	4,300	5,000	16.3%	35.1%
OP margin	27.4%	28.7%	31.1%		
EBITDA	5,181	5,900	6,650	12.7%	28.3%
Income before income taxes	3,295	3,900	4,570	17.2%	38.7%
Profit attributable to owners of parer	2,217	2,680	3,090	15.3%	39.4%
Earnings per share	¥110.05	¥111.93	¥128.76		
Annual dividends per share	¥19	¥44	¥51		

Executive Summary

Store sales continued to perform well in the first nine months, as it did in the first six months, with revenue for the nine-month period increasing 24.8% YoY to 12.0 billion yen. Although growth rate is gradually slowing as the hurdles of the previous year become higher toward the end of the year, the growth rate still remains high. Backed by strong sales, the operating profit margin also maintained a high level at 32.4%. This resulted in operating profit for the nine-month period increasing 46.4% YoY to 3.9 billion yen.

Consolidated

(IFRS)

Revenue

JPY12.0bn

VS.FY2024/1Q3 124.8%

Gross Margin(% of sales)

78.9 %

VS.FY2024/1Q3 +1.5 pt

SG&A

JPY5.6 bn (vs. sales 46.5%)

VS.FY2024/1Q3 116.9%

Operating Profit

JPY3.9 bn (vs. sales 32.4%)

VS.FY2024/1Q3 146.4%

Net Income

JPY2.4 bn (vs. sales 20.0%)

VS.FY2024/1Q3 156.8%

Adjusted EBITDA

JPY5.1 bn (vs. sales 42.9%)

VS.FY2024/1Q3 134.5%

Non-consolidated

Kaneko Optical Same Store Sales (YoY)

Q1 - Q3 (9 months)	**117.1 %**
Q3 (3 months)	**109.8 %**

Four Nines Same Store Sales (YoY)

Q1 - Q3 (9 months)	**116.1 %**
Q3 (3 months)	**108.9 %**

Consolidated P/L (Q1-Q3 9months)

(million yen)

(IFRS)

	FY2024/1 Q3	FY2025/1 Q3	Variance	% YoY
Revenue	9,689	12,095	2,406	124.8%
COGs	2,191	2,550	358	116.4%
Gross Margin	7,497	9,545	2,047	127.3%
SG&A	4,816	5,630	813	116.9%
Other Income/Other Expense	0	8	9	(1,116,6%)
Operating Profit	2,680	3,923	1,243	146.4%
EBITDA	3,769	5,154	1,384	136.7%
Adjusted EBITDA	3,857	5,188	1,330	134.5%
Financing Costs	(314)	(343)	(29)	109.3%
Income before income taxes	2,365	3,579	1,214	151.3%
Income Taxes	819	1,156	336	141.1%
Net Profit	1,546	2,423	877	156.8%
Adjusted Net Profit	1,603	2,447	843	152.6%
Gross margin (% of sales)	77.4%	78.9%		
OP margin	27.7%	32.4%		
EBITDA margin	38.9%	42.6%		

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 by Channel (Q1-Q3 (9months))

(IFRS)

(million yen)

鯖江 手造
金子眼鏡
ESTABLISHED 1958

Kaneko Optical

	FY2024 Q3	FY2025 Q3	Variance	% YoY
Store sales	5,600	7,211	1,610	128.8%
Wholesale sales (Domestic)	202	238	36	117.8%
Wholesale sales (Overseas)	365	442	77	121.2%
Others	19	9	(9)	49.9%
Sub-total	6,188	7,902	1,714	127.7%

9999

Four Nines

	FY2024 Q3	FY2025 Q3	Variance	% YoY
Store sales	1,742	2,270	528	130.3%
Wholesale sales (Domestic)	1,143	1,172	29	102.6%
Wholesale sales (Overseas)	614	695	81	113.2%
Others	1	54	52	3,241.1%
Sub-total	3,501	4,192	691	119.8%
Total	9,689	12,095	2,406	124.8%

Consolidated SG&A (Q1-Q3 (9months))

(IFRS)

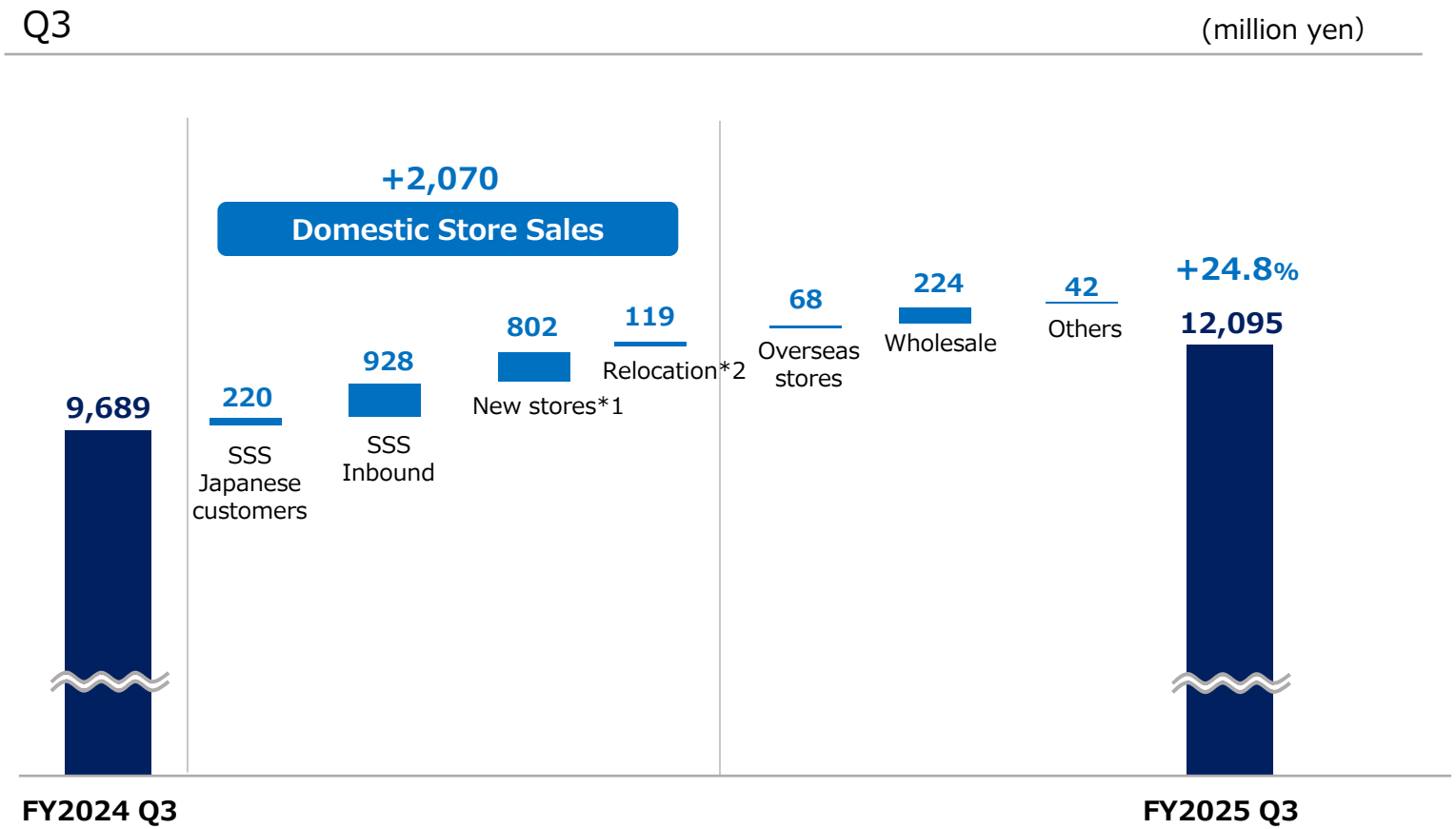
(million yen)

		FY2024 Q3	FY2025 Q3	Variance	% YoY
SG&A		4,816	5,630	813	116.9%
	vs. Sales	49.7%	46.5%	- 3.2Pt	-
Personnel expenses		1,987	2,180	192	109.7%
	vs. Sales	20.5%	18.0%	- 2.5Pt	-
Depreciation*		1,053	1,191	137	113.0%
	vs. Sales	10.9%	9.8%	- 1.0Pt	-
Rent expenses		519	676	157	130.2%
	vs. Sales	5.4%	5.6%	0.2Pt	-
Commission fee		264	352	87	133.1%
	vs. Sales	2.7%	2.9%	0.2Pt	-
Sales promotion expenses		259	311	51	120.0%
	vs. Sales	2.7%	2.6%	- 0.1Pt	-
Sales agency expenses		124	209	84	167.5%
	vs. Sales	1.3%	1.7%	0.4Pt	-
Advertising expenses		37	48	10	129.1%
	vs. Sales	0.4%	0.4%	0.0Pt	-
Other expenses		569	661	91	116.1%
	vs. Sales	5.9%	5.5%	- 0.4Pt	-

*Depreciation includes depreciation of right-of-use assets related to store leases. (FY2024 Q3: ¥887 million, FY2025 Q3: ¥1,007 million)

Revenue FY2024 Q3 vs. FY2025 Q3

(IFRS)



Notes
1. Effect of FY2024 9 new stores, FY2025Q3 5 new stores
2. Effect of FY2024 1 relocation, FY2025Q3 3 relocations

Consolidated P/L (Q3 (3months))

(IFRS)

(million yen)

	FY2024 Q3 (Aug. - Oct.)	FY2025 Q3 (Aug. - Oct.)	Variance	% YoY
Revenue	3,286	3,795	509	115.5%
COGs	745	784	39	105.3%
Gross Margin	2,540	3,011	470	118.5%
SG&A	1,651	1,837	185	111.2%
Other Income/Other Expense	(3)	(4)	0	–
Operating Profit	885	1,169	283	132.0%
EBITDA	1,258	1,589	330	126.3%
Adjusted EBITDA	1,311	1,592	281	121.5%
Financing Costs	(101)	(72)	29	70.8%
Income before income taxes	783	1,096	313	140.0%
Income Taxes	269	350	81	130.2%
Net Profit	514	746	232	145.2%
Adjusted Net Profit	548	748	199	136.5%
Gross margin (% of sales)	77.3%	79.3%		
OP margin	26.9%	30.8%		
EBITDA margin	38.3%	41.9%		

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.

Revenue by Channel (Q3 (3months))

(IFRS)

(million yen)

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Kaneko Optical

	FY2024 Q3 (Aug. - Oct.)	FY2025 Q3 (Aug. - Oct.)	Variance	% YoY
Store sales	1,955	2,359	404	120.7%
Wholesale sales (Domestic)	52	64	12	123.8%
Wholesale sales (Overseas)	111	114	2	102.6%
Others	6	(2)	(8)	-33.6%
Sub-total	2,126	2,537	410	119.3%

9999

Four Nines

	FY2024 Q3 (Aug. - Oct.)	FY2025 Q3 (Aug. - Oct.)	Variance	% YoY
Store sales	591	727	135	122.9%
Wholesale sales (Domestic)	374	328	(46)	87.7%
Wholesale sales (Overseas)	192	165	(26)	86.2%
Others	0	36	35	9,600.5%
Sub-total	1,159	1,258	98	108.5%
Total	3,286	3,795	509	115.5%

Consolidated SG&A (Q3 (3months))

(IFRS)

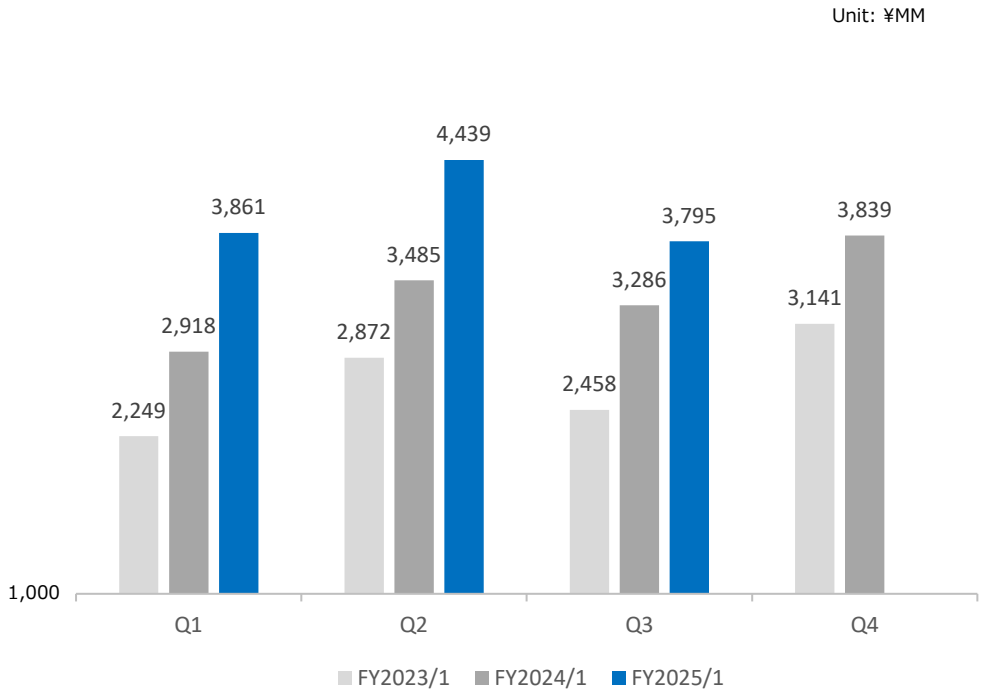
(million yen)

	FY2024 Q3 (Aug. - Oct.)	FY2025 Q3 (Aug. - Oct.)	Variance	% YoY
SG&A	1,651	1,837	185	111.2%
vs. Sales	50.3%	48.4%	- 1.9Pt	-
Personnel expenses	665	725	60	109.0%
vs. Sales	20.3%	19.1%	- 1.1Pt	-
Depreciation*	361	407	45	112.6%
vs. Sales	11.0%	10.7%	- 0.3Pt	-
Rent expenses	176	211	34	119.8%
vs. Sales	5.4%	5.6%	0.2Pt	-
Commission fee	88	97	8	109.7%
vs. Sales	2.7%	2.6%	- 0.1Pt	-
Sales promotion expenses	79	90	10	113.6%
vs. Sales	2.4%	2.4%	- 0.0Pt	-
Sales agency expenses	49	69	20	141.1%
vs. Sales	1.5%	1.8%	0.3Pt	-
Advertising expenses	12	20	7	162.6%
vs. Sales	0.4%	0.5%	0.2Pt	-
Other expenses	218	216	(2)	99.0%
vs. Sales	6.6%	5.7%	- 1.0Pt	-

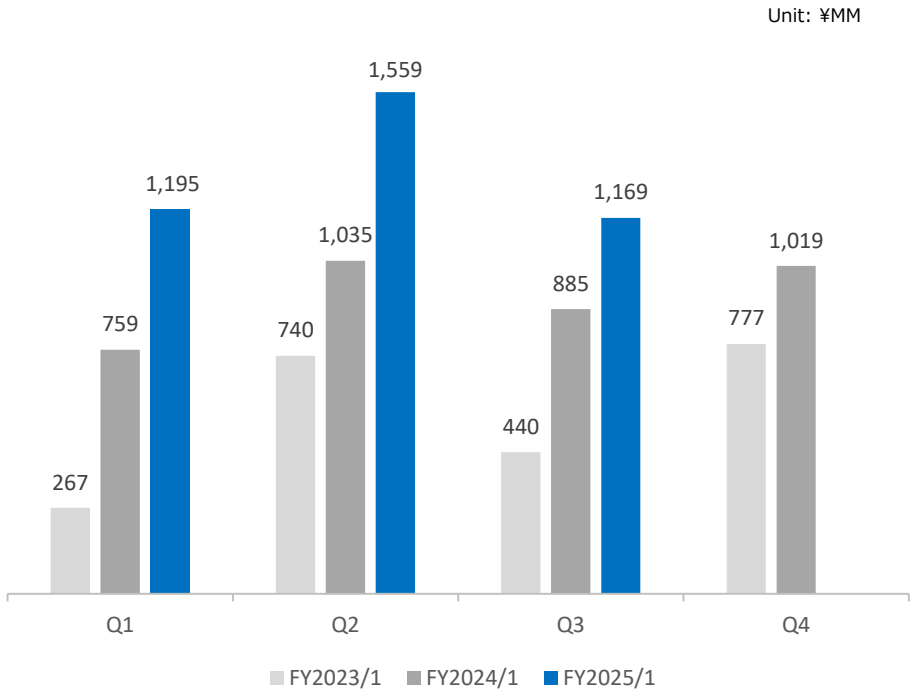
*Depreciation includes depreciation of right-of-use assets related to store leases. (FY2024 Q3: ¥305 million, FY2025 Q3: ¥342 million)

Quarterly Trends

Revenue



Operating Profit



Consolidated B/S

(IFRS)

(million yen)

	As of Jan. 31, 2024	As of Oct.31, 2024	Variance	Change from the end of FY2024
Total Assets	34,766	36,890	2,124	106.1%
Composition ratio	100.0%	100.0%	-	-
Current Assets	7,240	6,984	(255)	96.5%
Composition ratio	20.8%	18.9%	-	-
Non-current Assets	27,526	29,905	2,379	108.6%
Composition ratio	79.2%	81.1%	-	-
Current Liabilities	4,293	4,392	98	102.3%
Composition ratio	12.3%	11.9%	-	-
Non-current Liabilities	17,202	17,653	(451)	102.6%
Composition ratio	49.5%	47.9%	-	-
Total Equity	13,270	14,844	1,574	111.9%
Composition ratio	38.2%	40.2%	-	-
Balance of Bank Loans	13,850	13,375	(475)	96.6%
Inventories	1,497	1,800	302	120.2%

Consolidated CF

(IFRS)

(million yen)

	FY2024 Q3	FY2025 Q3	Details	
Operating Cash Flow(sub-total)	3,639	5,059		
Operating Cash Flow	2,215	3,605	Profit before tax	+3,579
			Depreciation	+1,230
			Decrease (Increase) in inventories	(232)
			Income taxes paid	(1,251)
Investing Cash Flow	(589)	(1,442)	Purchase of property, plant and equipment	(1,240)
			Purchase of shares of subsidiaries	(146)
Financing Cash Flow	(1,371)	(2,564)	Dividends paid to shareholders	(981)
			Repayments of long-term borrowings	(561)
			Repayments of lease liabilities	(1,002)
			Refinancing cost paid	(100)
Cash and Cash equivalents at end of period	2,526	4,057		

Stores Opened / Closed

Results for Feb.-Oct. 2024	New Opening* **10**	Closed / Relocation **3**	# of stores as of Oct.31, 2024 **105**
Full-year plan	New Opening* **11**	Closed / Relocation **5**	# of stores as of Jan.31, 2025 **104**

		Results for Feb.-Oct. 2024			Full-year plan		
	# of stores as of Jan. 31, 2024	New Opening	Closed / Relocation	# of stores as of Oct. 31, 2024	New Opening	Closed / Relocation	# of stores as of Jan. 31, 2025
Kaneko Optical	80	7	3	84	7	5	82
KANEKO FRANCE SARL	2	-	-	2	-	-	2
Kaneko Shanghai	1	2	-	3	2	-	3
JEH Hong Kong					1	-	1
Four Nines	14	1	-	15	1	-	15
FOUR NINES SINGAPORE PTE.LTD.	1	-	-	1	-	-	1
Total	98	10	3	105	11	5	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.
	Sep.	New (relocation)	KANEKO GANKYO-TEN, Hirakata Mall
	Sep.	New	KANEKO GANKYO-TEN, Emi Terrace Tokorozawa
Four Nines	Apr.	New	999.9, Narita Airport
Kaneko Shanghai	Apr.	New	KANEKO GANKYO-TEN, Sinan Mansions
	Aug.	New	KANEKO GANKYO-TEN, ROCKBUND
JEH Hong Kong	Nov.	New	KANEKO GANKYO-TEN, Pedder Arcade
Kaneko Optical	Jan.	Close	KANEKO OPTICAL MARK IS Fukuoka-momochi
	Jan.	Close	KANEKO OPTICAL Aeon Mall Musashi murayama

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: Plan of ¥44 revised to **¥51**

Year-end dividend per share: Plan of ¥22 revised to **¥29**

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

FY2025 Q3 Initiatives



Opened 8 new stores in Japan
(including 3 relocations)



Opened 2nd and 3rd Chinese direct stores
in April and August 2024



Achieved ¥2.4 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

November 2024: Opened 1st store in Hong Kong

New Stores

March 2024 Kaneko, Tennoji MIO



March 2024 Kaneko, LUMINE Omiya



April 2024 999.9, Narita Airport



April 2024 Kaneko, Chunichi Bldg.



September 2024 Kaneko, Hirakata mall



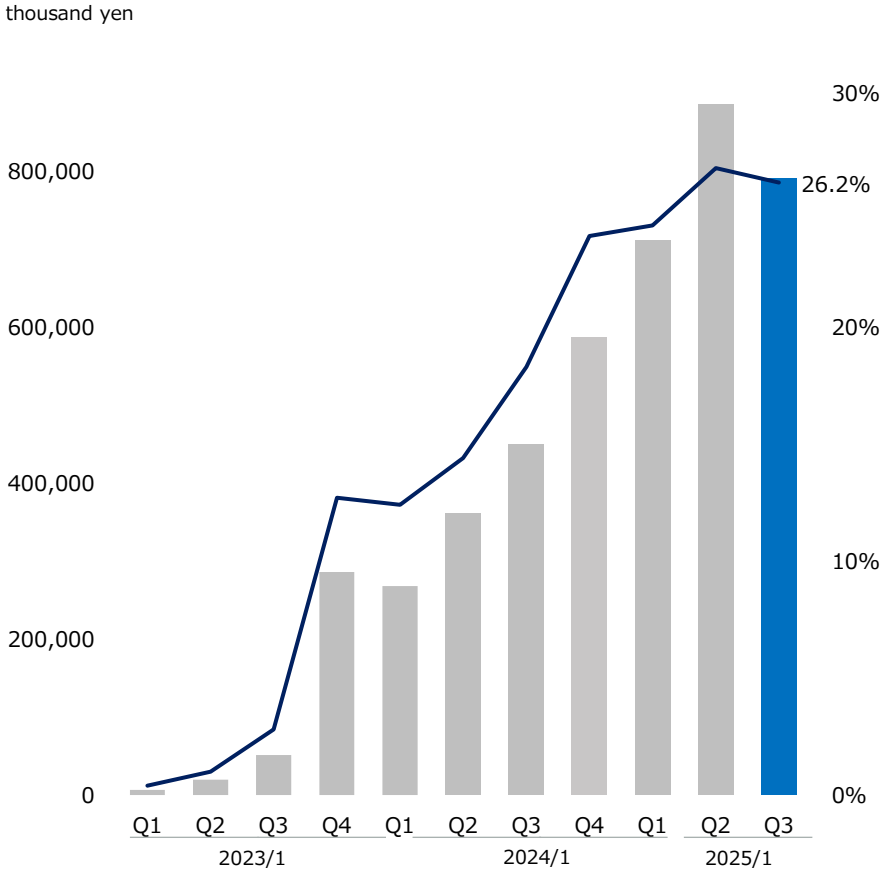
September 2024 Kaneko, Emi Terrace Tokorozawa



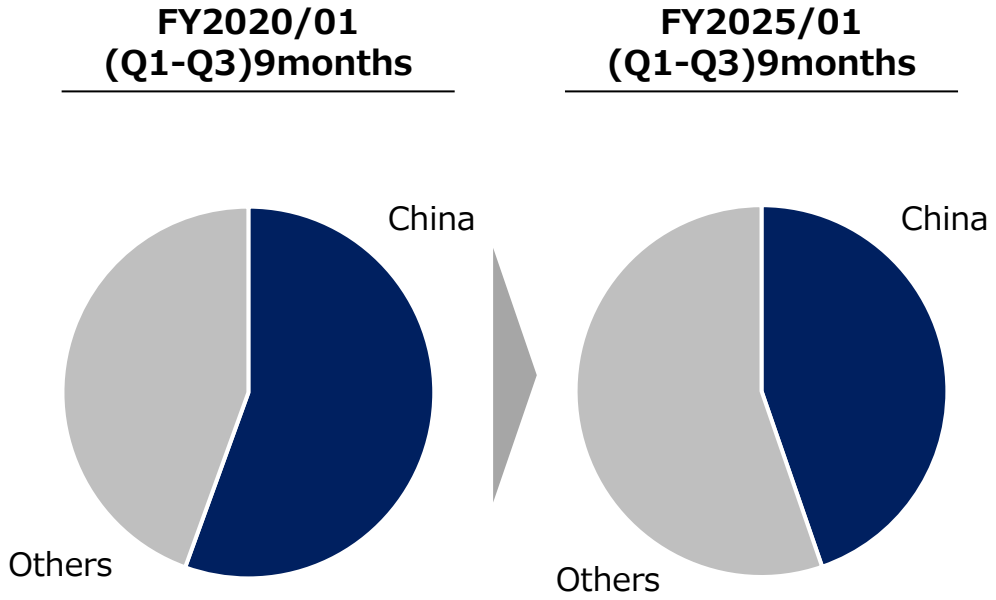
Capture of Inbound Demand from Increase in Foreign Visitors

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

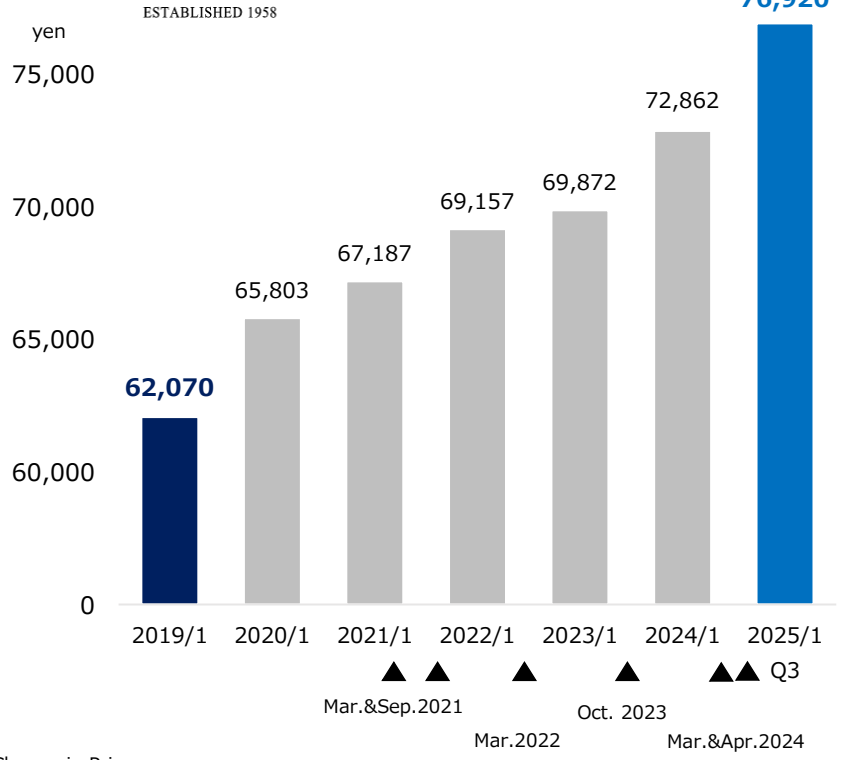
Owning 2 brands with high presence in the domestic eyewear market allows further expansion of the brands as a group, via product offering of luxury eyewear products across various categories. As a result, JEH has been realizing growth at existing stores through continuous increase in unit price

Consistent Increase in Unit Price (1)

鯖江 手造
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ESTABLISHED 1958

Kaneko Optical

vs. 2019/1
+23.9%

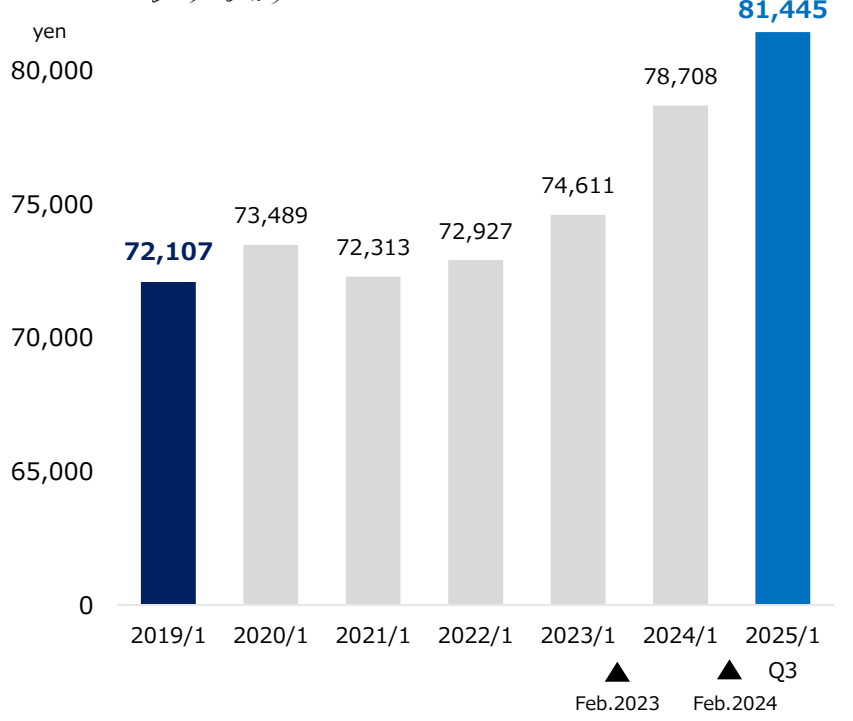


▲ Change in Price

999.9

Four Nines

vs. 2019/1
+13.0%



▲ 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

1st Store in Hong Kong

Following on from the store openings in mainland China, opened our 1st store in Hong Kong in November 2024.



■KANEKO GANKYO-TEN, Pedder Arcade

Pedder Building, where the store has opened, is a historic commercial building located along Pedder Street in the Central District of Hong Kong. This building built in 1924 is marked by its Beaux-Arts architecture and is one of the few surviving pre-World War II buildings in Hong Kong, thus its listing as a Grade I Historic Building by the Hong Kong Government in 2020.
Housing internationally renowned galleries, it has an iconic presence in also the art scene. This is a store that offers the experience of enjoying choosing glasses relaxed in art surroundings.

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: 84 in Japan, 2 in France, 3 in China (as of Oct. 31, 2024)
Unit Price(2)	Approx. JPY77,000


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 Oct. 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.

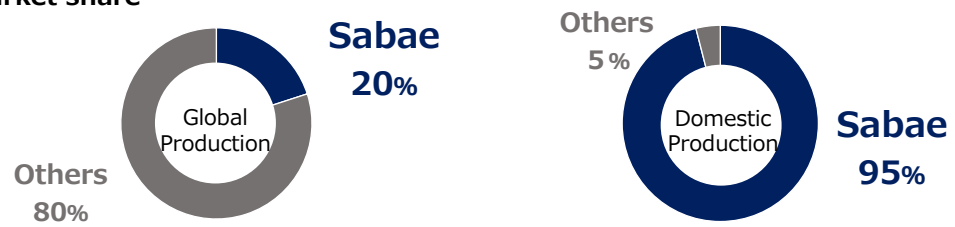
Production of High-quality Eyeglass Frames in Sabae, One of the World's Largest Production Centers

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

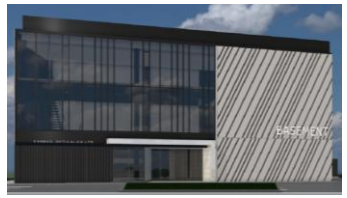
11 住み続けられるまちづくりを

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 Company Building/New Factory

Completed in 2024



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

New Company Building / New Factory

The construction of a new company building and new factory that was underway using the funds procured by way of capital increase through public offering upon the IPO in November 2023 was completed in November 2024. The aim is to have the factory come on stream by spring of 2025.



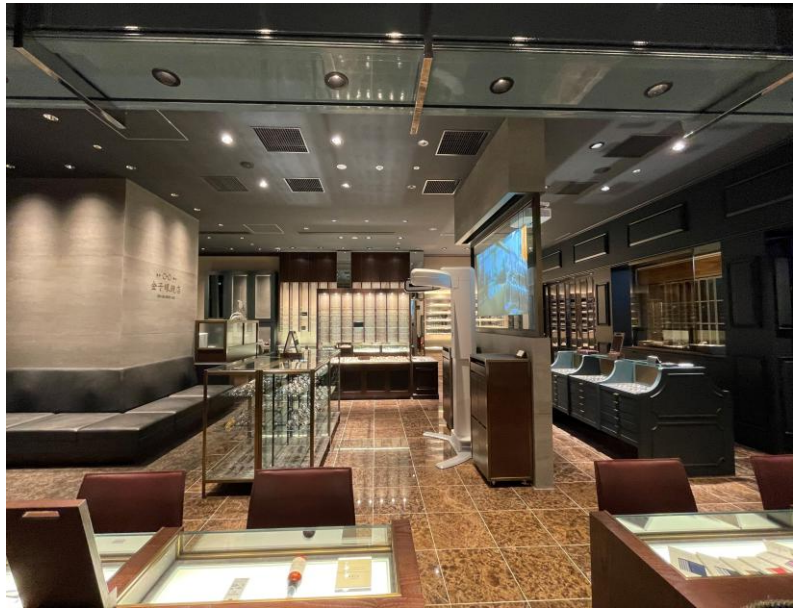
Selected Store Location and Store Designs

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**

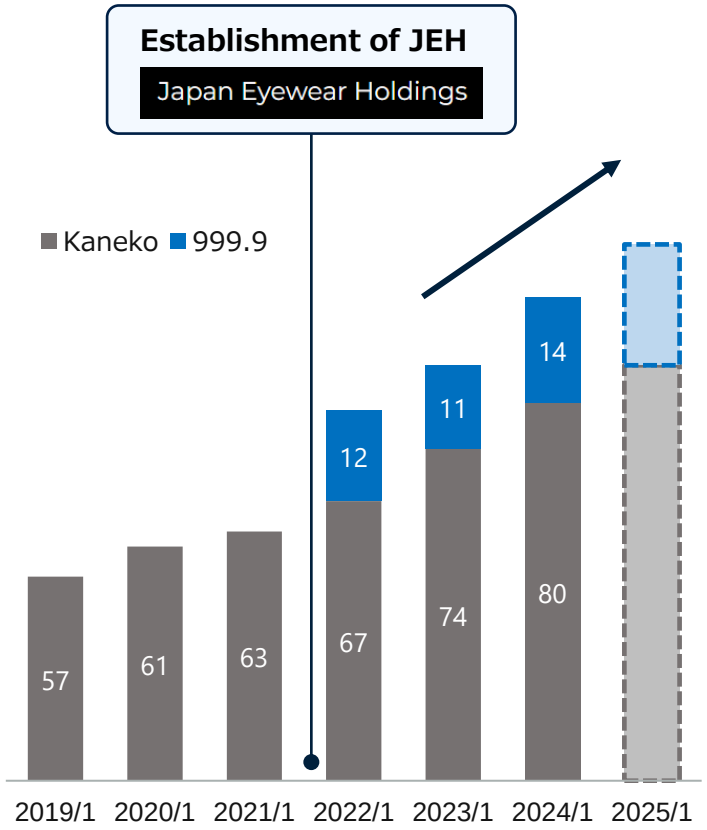
3. **Group Synergies Achieved Through Integration of Kaneko and 999.9**

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

鯖江 手造 金子眼鏡 ESTABLISHED 1958

- 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)

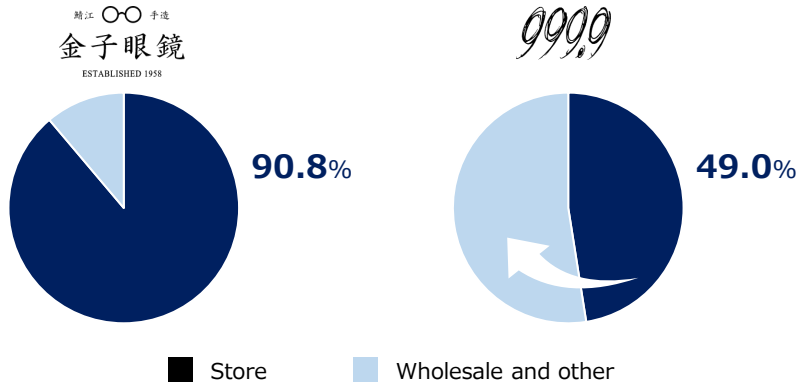
3 Group Synergies Achieved Through Integration of Kaneko and 999.9

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

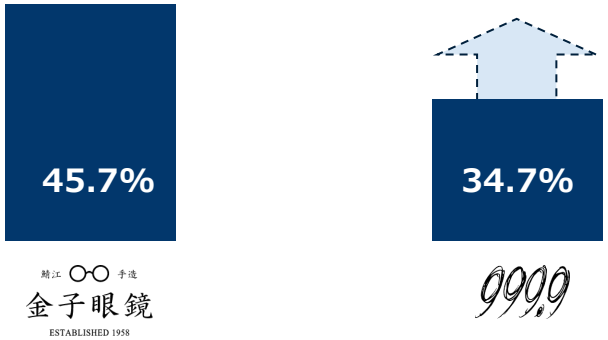
Synergies of Owning Both Kaneko and 999.9

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

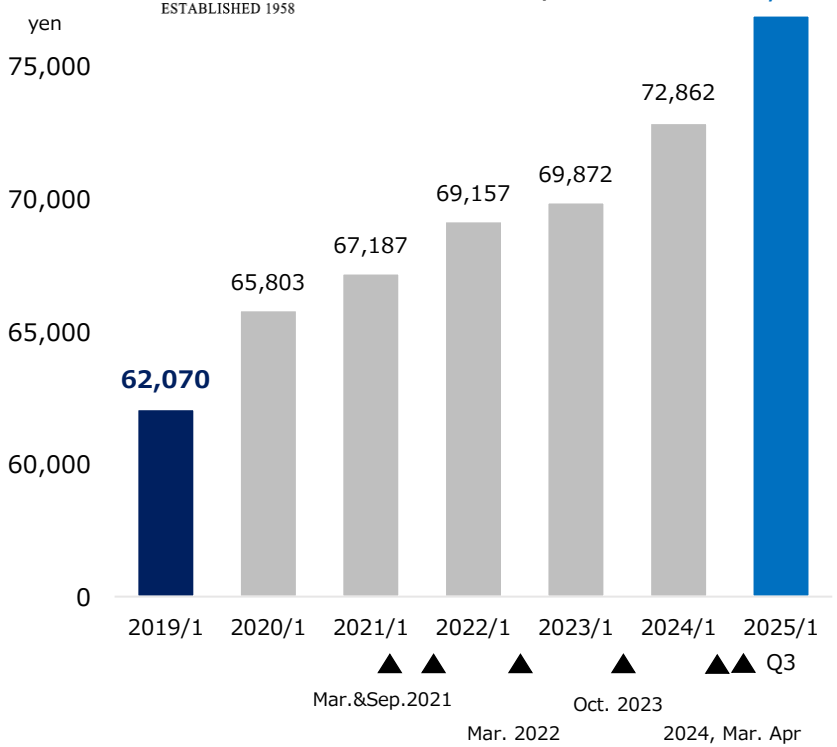
Owning 2 brands with high presence in the domestic eyewear market allows further expansion of the brands as a group, via product offering of luxury eyewear products across various categories. As a result, JEH has been realizing growth at existing stores through continuous increases in unit price

Consistent Increase in Unit Price (1)

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Kaneko Optical

vs. 2019/1
+23.9%

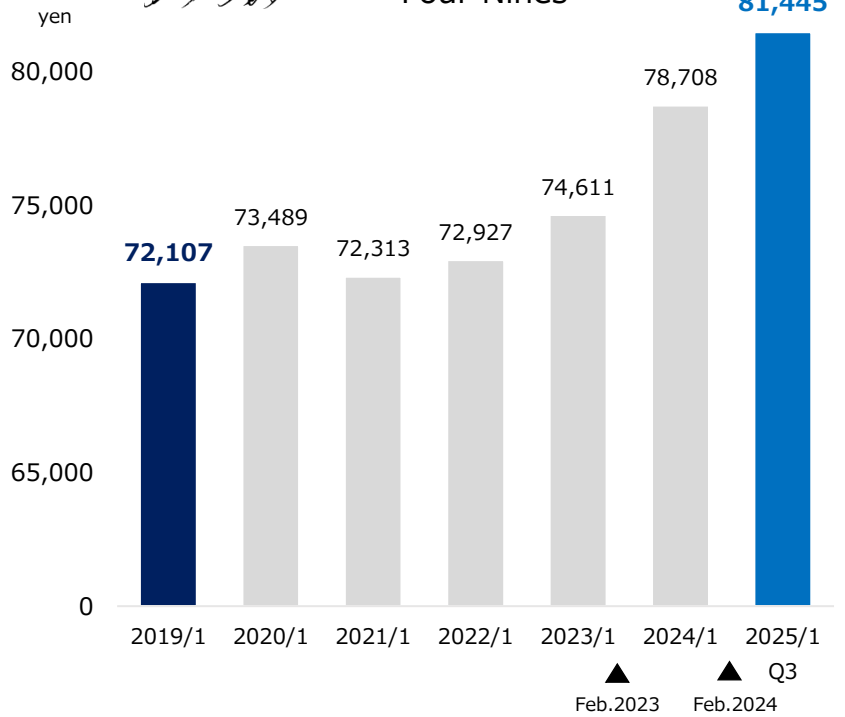


▲ Change in Price

9999

Four Nines

vs. 2019/1
+13.0%



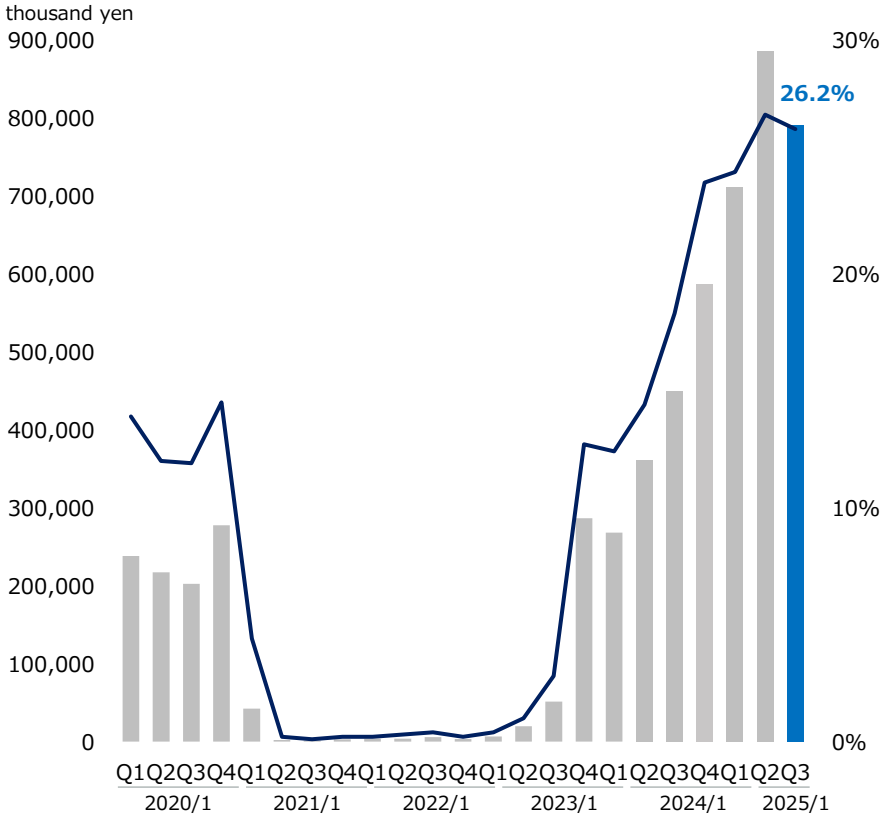
▲ Change in Price

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

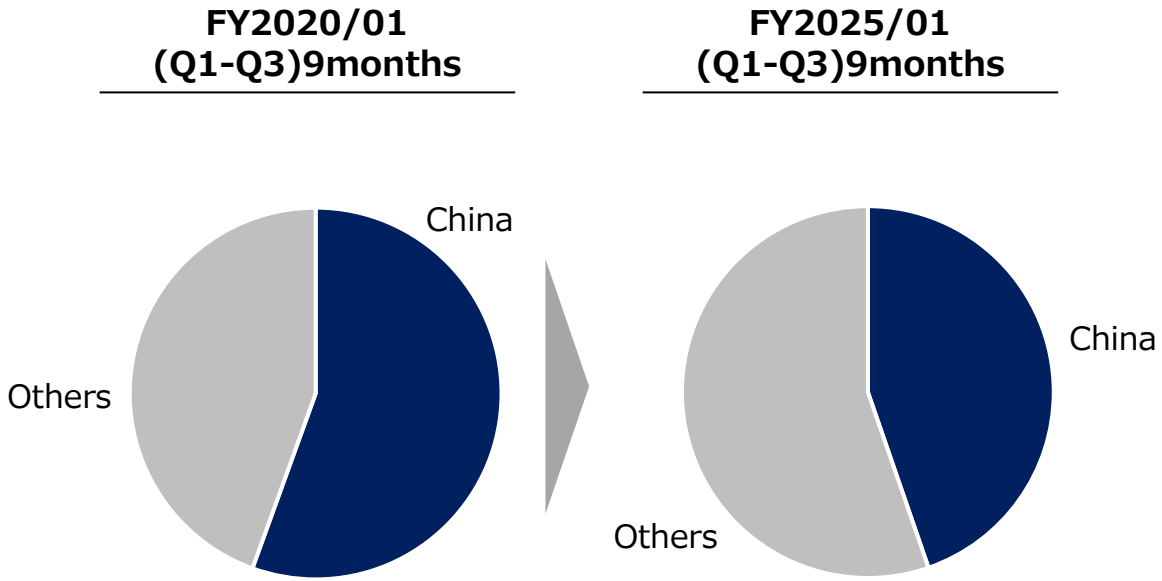
4 Capture of Inbound Demand from the Recovery of Foreign Visitors

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

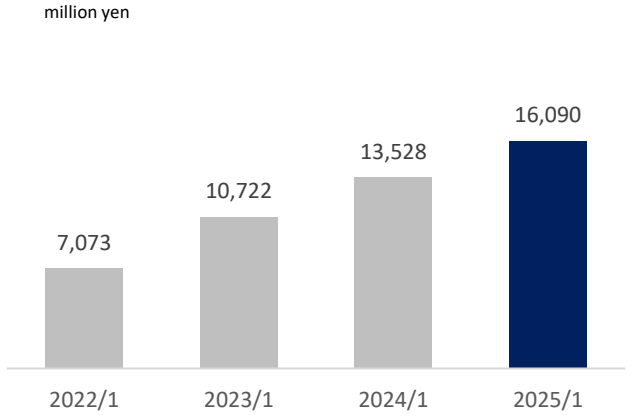


Notes:
1. Sales to inbound tourists at directly managed (excl. sales via wholesalers)

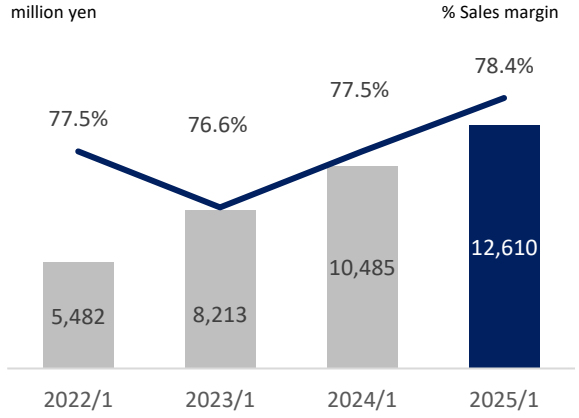
Appendix

Key Financials

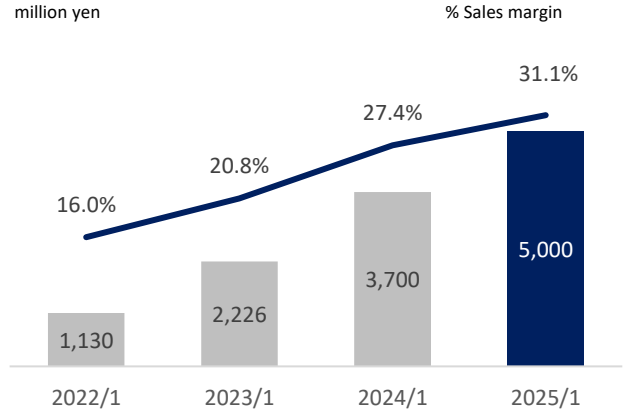
Revenue



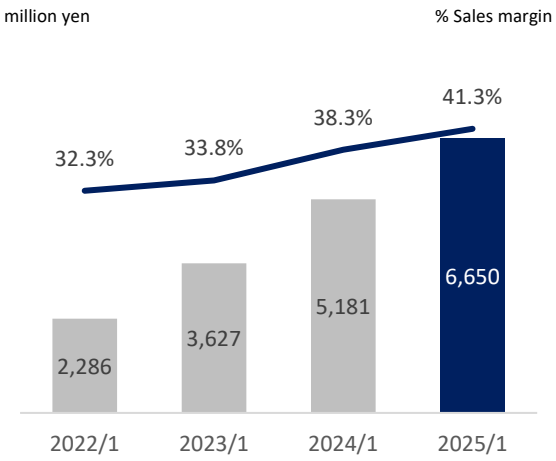
Gross Profit



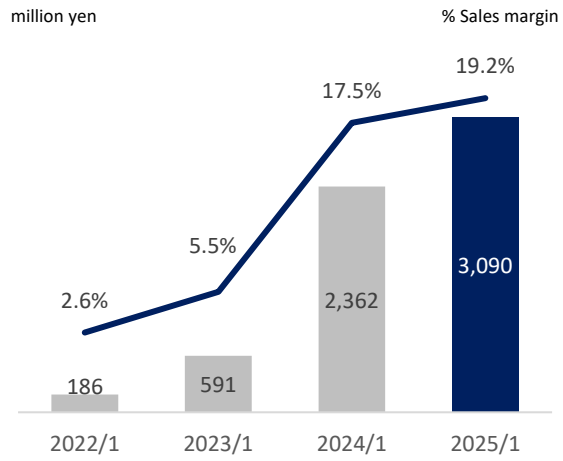
Operating Profit



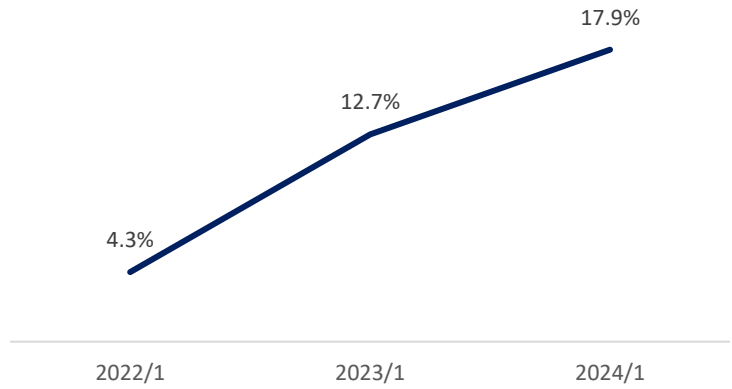
EBITDA [2]



Net Profit

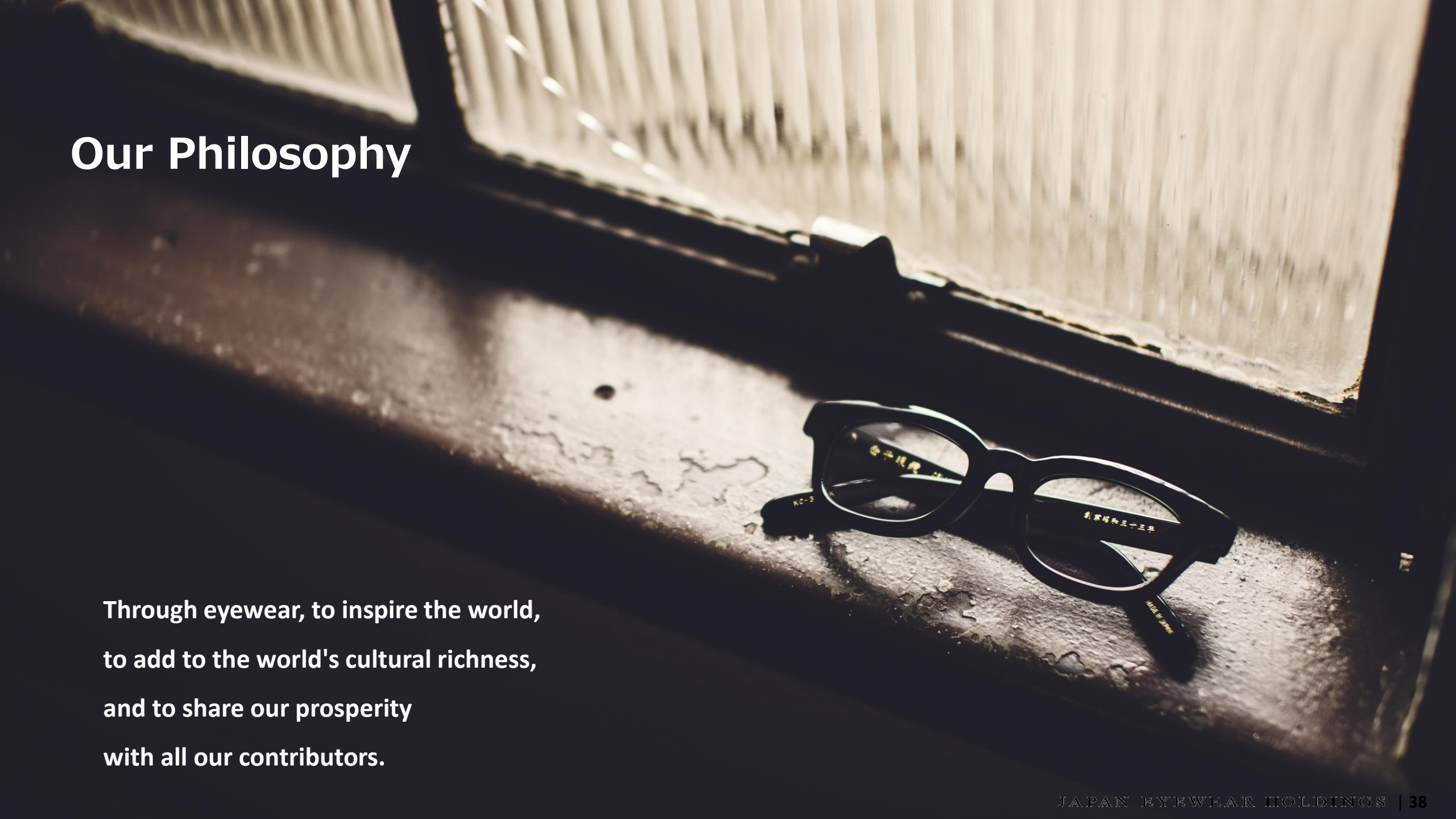


ROE [3]



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)

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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