

Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

**Consolidated Financial Results for the Three Months
Ended April 30, 2025 (Under IFRS)**

June 12, 2025

Company name: Japan Eyewear Holdings Co., Ltd.

Listing exchange: Tokyo Stock Exchange

Securities code: 5889

URL: <https://www.japan-eyewear-holdings.co.jp/en/>

Representative: Shinya Kaneko, President and Representative Director

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Scheduled date for commencing dividend payments: -

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Consolidated Financial Results for the First Three Months of the Fiscal Year Ending January 31, 2026

(February 1, 2025 to April 30, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Three months ended April 30, 2025	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	(1.5)
Three months ended April 30, 2024	4,191	8.6	1,307	9.4	1,228	11.5	782	6.3	782	6.3	754	

	EBITDA*		Basic earnings per share		Diluted earnings per share	
Three months ended April 30, 2025	Millions of yen	%	Yen		Yen	
Three months ended April 30, 2024	1,766	11.0	32.46		31.95	

*EBITDA = Operating profit + Depreciation + Amortization of identifiable assets

(2) Consolidated Financial Position

	Total assets		Total equity		Equity attributable to owners of parent		Ratio of equity attributable to owners of parent to total assets	
As of April 30, 2025	Millions of yen		Millions of yen		Millions of yen			%
As of January 31, 2025	37,997		16,122		16,122			42.4

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
Fiscal year ended January 31, 2025	Yen —	Yen 22.00	Yen —	Yen 44.00	Yen 66.00
Fiscal year ending January 31, 2026 (Forecast)		42.00	—	42.00	84.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending January 31, 2026 (February 1, 2025 to January 31, 2026)
 (Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		EBITDA		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,050	14.3	6,200	16.4	5,900	20.1	4,000	0.1	4,000	0.1	8,000	14.2	165.90

(Note) Revisions to the most recently announced earnings forecast: No

*Explanatory notes

(1) Significant change in scope of consolidation during the first three months ended April 30, 2025: No

(2) Changes in accounting policies, and changes in accounting estimates

1) Changes in accounting policies required by IFRS: No

2) Changes in accounting policies other than those in 1) above: No

3) Changes in accounting estimates: No

(3) Number of shares issued and outstanding (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of April 30, 2025	24,123,860 shares	As of January 31, 2025	24,110,760 shares
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2) Number of treasury shares at the end of the period

As of April 30, 2025	- shares	As of January 31, 2025	- shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended April 30, 2025	24,115,323 shares	Three months ended April 30, 2024	23,944,260 shares
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* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: No

* Explanation regarding appropriate use of earnings forecasts, and other notes

(1) The Group applies the International Financial Reporting Standards (IFRS).

(2) The earnings outlook and other forward-looking statements contained in this document are based on information currently available and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee that the Company will achieve the results. Actual financial results and the like may differ materially due to various factors.

(3) The financial results briefing material is scheduled to be posted on the Company's website (<https://www.japan-eyewear-holdings.co.jp/en>) on June 12, 2025.

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Explanation of Operating Results

The Japan Eyewear Holdings Group (the “Group”) manufactures high quality eyewear planned and designed in-house by the skilled craftsmanship in “Sabae, Fukui,” one of the world’s leading eyewear production centers, and sells them mainly through its unique stores expressing the brand’s worldview.

During the first three months of the fiscal year ending January 31, 2026 (the first three months under review), the Japanese economy saw a gradual recovery trend with the move of improved income and employment environment, as well as increased capital investment. On the other hand, the outlook remains uncertain due to such factors as long-run effects of geopolitical risk, fluctuations in resource and energy prices, and concerns about the global economic impact of United States’ policy trends.

Under such an environment, the Group has continued to develop business with a focus on “promoting new store openings in Japan and overseas,” “increase in unit price through reviewing frame sales prices,” and “securing demand from inbound tourists.” Both of the Group’s main brands, Kaneko Optical and Four Nines, have received strong support from customers in Japan and abroad.

As a result of the above, the operating results for the first three months under review were revenue of 4,191 million yen (up 8.6% year-on-year), operating profit of 1,307 million yen (up 9.4% year-on-year), profit before tax of 1,228 million yen (up 11.5% year-on-year), and profit of 782 million yen (up 6.3% year-on-year).

Revenue by business segment for the first three months under review is as follows.

[Kaneko Optical Business]

Store sales of the Kaneko Optical Group remained strong due to increased brand penetration in Japan and overseas. Store sales to inbound customers have continued to be at a high level. Furthermore, in the first three months under review, the number of stores reached 90 (84 in Japan and six overseas) as a result of opening a total of two new stores (both in Japan) and closing one store. In May 2025, the Kaneko Optical Group opened its second store in Hong Kong located at K11 MUSEA. Moreover, in May 2025, the Group acquired Hands Ltd., an eyewear frame plating company in Sabae, in an effort to enhance in-house production.

As a result of the above, revenue in the Kaneko Optical Business stood at 2,854 million yen (up 13.0% year-on-year), and segment profit at 1,075 million yen (up 16.4% year-on-year).

[Four Nines Business]

Store sales of the Four Nines Group remained strong due to a strong support from the customers and the revision of frame sales prices in February 2025, following the revision in the previous fiscal year.

Furthermore, in the current fiscal year, the Four Nines Group opened two new stores in Japan, increasing the number of stores to 18 (17 in Japan and one overseas).

Although its wholesale sales have shown a year-on-year decline due to differences in revenue recognition timing, its wholesale business received stable orders at the new products exhibition held in April 2025 both in Japan and overseas. It continues to work on cost improvement, aiming to build a management structure that is more adaptable to environmental changes.

As a result of the above, revenue in the Four Nines Business stood at 1,336 million yen (up 0.1% year-on-year), and segment profit at 351 million yen (down 10.6% year-on-year).

(2) Explanation of Financial Position

Total assets at the end of the first three months under review decreased by 835 million yen from the end of the previous fiscal year to 37,997 million yen. This was mainly due to a decrease in cash and cash equivalents by 872 million yen, an decrease in Trade and other receivables by 205 million yen, and an increase in right-of-use assets by 276 million yen.

Total liabilities at the end of the first three months under review decreased by 536 million yen from the end of the previous fiscal year to 21,875 million yen. This was mainly due to a decrease in income taxes payable by 787 million yen, an increase in lease liabilities (current) by 128 million yen, and an increase in lease liabilities (non-current) by 162 million yen.

Total equity at the end of the first three months under review decreased by 299 million yen from the end of the previous fiscal year to 16,122 million yen. This was mainly due to posting of 782 million yen of profit, and dividends paid of 1,060 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forecast Information

With regard to the consolidated earnings forecast for the fiscal year ending January 31, 2026, no change has been made to the figures announced on March 13, 2025.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	Previous fiscal year (As of January 31, 2025)	First quarter of current fiscal year (April 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	3,931	3,059
Trade and other receivables	1,379	1,174
Inventories	1,871	1,933
Other current assets	253	145
Total current assets	<u>7,436</u>	<u>6,313</u>
Non-current assets		
Property, plant and equipment	4,769	4,873
Right-of-use assets	3,761	4,038
Goodwill	13,950	13,950
Trademarks	5,897	5,897
Other intangible assets	333	324
Other financial assets	1,961	1,928
Deferred tax assets	671	625
Other non-current assets	51	46
Total non-current assets	<u>31,396</u>	<u>31,684</u>
Total assets	<u>38,833</u>	<u>37,997</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	618	522
Current portion of long-term borrowings	950	950
Lease liabilities	1,200	1,328
Income taxes payable	1,133	345
Contract liabilities	526	436
Other current liabilities	791	861
Total current liabilities	<u>5,220</u>	<u>4,445</u>
Non-current liabilities		
Borrowings	11,875	11,887
Lease liabilities	2,624	2,786
Provisions	45	46
Deferred tax liabilities	2,146	2,209
Other non-current liabilities	500	500
Total non-current liabilities	<u>17,191</u>	<u>17,429</u>
Total liabilities	<u>22,411</u>	<u>21,875</u>
Equity		
Share capital	943	947
Capital surplus	9,602	8,548
Retained earnings	5,769	6,549
Other components of equity	106	77
Total equity attributable to owners of parent	<u>16,421</u>	<u>16,122</u>
Total equity	<u>16,421</u>	<u>16,122</u>
Total liabilities and equity	<u>38,833</u>	<u>37,997</u>

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income
 (Condensed Quarterly Consolidated Statement of Profit or Loss)

		(Millions of yen)
	First three months of previous fiscal year (February 1, 2024 to April 30, 2024)	First three months of current fiscal year (February 1, 2025 to April 30, 2025)
Revenue	3,861	4,191
Cost of sales	843	857
Gross profit	<u>3,017</u>	<u>3,334</u>
 Selling, general and administrative expenses	 1,826	 2,026
Other income	6	7
Other expenses	1	6
Operating profit	<u>1,195</u>	<u>1,307</u>
 Finance income	 1	 1
Finance costs	94	80
Profit before tax	<u>1,102</u>	<u>1,228</u>
Income tax expense	365	445
Profit	<u>736</u>	<u>782</u>
 Profit attributable to		
Owners of parent	736	782
Non-controlling interests	-	-
Profit	<u>736</u>	<u>782</u>
 Earnings per share		
Basic earnings per share (yen)	30.76	32.46
Diluted earnings per share (yen)	30.16	31.95

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	First three months of previous fiscal year (February 1, 2024 to April 30, 2024)	First three months of current fiscal year (February 1, 2025 to April 30, 2025)
Profit	736	782
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	-	-
Total of items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	29	(27)
Total of items that may be reclassified to profit or loss	29	(27)
Other comprehensive income, net of tax	29	(27)
Comprehensive income	766	754
Comprehensive income attributable to		
Owners of parent	766	754
Non-controlling interests	-	-
Comprehensive income	766	754

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First three months of previous fiscal year (February 1, 2024 to April 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent					Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total		
Balance as of February 1, 2024	900	10,529	1,774	66	13,270	-	13,270
Profit	-	-	736	-	736	-	736
Other comprehensive income	-	-	-	29	29	-	29
Total comprehensive income	-	-	736	29	766	-	766
Dividends of surplus	-	(454)	-	-	(454)	-	(454)
Total transactions with owners	-	(454)	-	-	(454)	-	(454)
Balance as of April 30, 2024	900	10,075	2,511	95	13,581	-	13,581

First three months of current fiscal year (February 1, 2025 to April 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent					Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total		
Balance as of February 1, 2025	943	9,602	5,769	106	16,421	-	16,421
Profit	-	-	782	-	782	-	782
Other comprehensive income	-	-	-	(27)	(27)	-	(27)
Total comprehensive income	-	-	782	(27)	754	-	754
Dividends of surplus	-	(1,060)	-	-	(1,060)	-	(1,060)
Exercise of share acquisition rights	3	4	-	(0)	6	-	6
Transfer from retained earnings to capital surplus	-	2	(2)	-	-	-	-
Total transactions with owners	3	(1,054)	(2)	(0)	(1,054)	-	(1,054)
Balance as of April 30, 2025	947	8,548	6,549	77	16,122	-	16,122

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First three months of previous fiscal year (February 1, 2024 to April 30, 2024)	First three months of current fiscal year (February 1, 2025 to April 30, 2025)
Cash flows from operating activities		
Profit before tax	1,102	1,228
Depreciation and amortization	396	458
Interest and dividend income	(1)	(1)
Interest expenses	94	80
Decrease (increase) in trade and other receivables	109	320
Increase (decrease) in trade and other payables	(44)	(279)
Decrease (increase) in inventories	(71)	(61)
Other	75	96
Subtotal	1,661	1,842
Interest and dividends received	1	1
Interest paid	(81)	(68)
Income taxes paid	(721)	(1,124)
Net cash provided by (used in) operating activities	859	650
Cash flows from investing activities		
Purchase of property, plant and equipment	(265)	(102)
Purchase of intangible assets	(0)	-
Payments of leasehold and guarantee deposits	(41)	(17)
Proceeds from refund of leasehold and guarantee deposits	3	25
Net cash provided by (used in) investing activities	(303)	(94)
Cash flows from financing activities		
Repayments of lease liabilities	(325)	(341)
Dividends paid	(454)	(1,060)
Proceeds from issuance of shares resulting from exercise of share acquisition right	-	6
Net cash provided by (used in) financing activities	(780)	(1,395)
Effect of exchange rate changes on cash and cash equivalents	34	(32)
Net increase (decrease) in cash and cash equivalents	(189)	(872)
Cash and cash equivalents at beginning of period	4,426	3,931
Cash and cash equivalents at end of period	4,237	3,059

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

(1) Overview of reportable segments

The Group's reportable segments are the Company's components for which separate financial information is available and which are subject to periodic reviews by the Board of Directors (Chief Operating Decision Maker) to determine the allocation of management resources and evaluate their performance.

The Group mainly sells eyewear products, and its business activities are centered on two brand categories (Kaneko Optical and Four Nines). In addition, the head of each brand has broad authority and responsibility for sales and profits for each brand, and makes decisions flexibly. Therefore, the Company has two reportable segments, "Kaneko Optical Business" and "Four Nines Business," primarily based on those brands.

The "Kaneko Optical Business" includes businesses for each of the different brand categories under the Kaneko Optical brand.

The "Four Nines Business" includes businesses for each of the different brand categories under the Four Nines brand.

The accounting treatments of the segments are in accordance with the accounting policies of the Group. Segment profit is consistent with operating profit as reported in the condensed quarterly consolidated statement of profit or loss.

(2) Information regarding revenue, profit/loss, and other significant items by reportable segment

First three months of previous fiscal year (February 1, 2024 to April 30, 2024)

(Millions of yen)

	Reportable segment			Reconciling items	Consolidated
	Kaneko Optical	Four Nines	Total		
Revenue					
Revenue from external customers	2,526	1,335	3,861	-	3,861
Intersegment revenue	-	-	-	-	-
Total	2,526	1,335	3,861	-	3,861
Segment profit	924	393	1,317	(121)	1,195
Finance income	-	-	-	-	1
Finance costs	-	-	-	-	94
Profit before tax	-	-	-	-	1,102
Other items					
Depreciation and amortization	282	107	390	5	396

(Note) Reconciling items of segment profit (-121 million yen) are corporate expenses that are not allocated to any reportable segment.

Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

First three months of current fiscal year (February 1, 2025 to April 30, 2025)

(Millions of yen)

	Reportable segment			Reconciling items	Consolidated
	Kaneko Optical	Four Nines	Total		
Revenue					
Revenue from external customers	2,854	1,336	4,191	-	4,191
Intersegment revenue	-	-	-	-	-
Total	2,854	1,336	4,191	-	4,191
Segment profit	1,075	351	1,427	(119)	1,307
Finance income	-	-	-	-	1
Finance costs	-	-	-	-	80
Profit before tax	-	-	-	-	1,228
Other items					
Depreciation and amortization	315	135	450	7	458

(Note) Reconciling items of segment profit (-119 million yen) are corporate expenses that are not allocated to any reportable segment.

Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

(Per Share Information)

The basis of calculation of basic earnings per share and diluted earnings per share is as follows.

(First three months of a fiscal year)

	First three months of previous fiscal year (February 1, 2024 to April 30, 2024)	First three months of current fiscal year (February 1, 2025 to April 30, 2025)
Profit attributable to owners of parent (million yen)	736	782
Profit adjustment (million yen)	-	-
Profit used for calculating diluted earnings per share (million yen)	736	782
Weighted average number of common shares (thousand shares)	23,944	24,115
Increase in the number of common shares		
Share acquisition rights (thousand shares)	473	386
Weighted average number of common shares after dilution (thousand shares)	24,418	24,501
Basic earnings per share (yen)	30.76	32.46
Diluted earnings per share (yen)	30.16	31.95

(Significant Subsequent Events Subsequent Events)

Not applicable.