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On **July 11, 2019**, JINS Holdings announced earnings results for Q3 FY08/19.

Cumulative (JPYmm)	FY08/17				FY08/18				FY08/19				FY08/19	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.
Sales	11,135	23,820	37,136	50,451	11,695	25,294	39,852	54,872	13,506	28,455	45,020		71.7%	62,800
YoY	11.9%	10.7%	10.5%	9.2%	5.0%	6.2%	7.3%	8.8%	15.5%	12.5%	13.0%			14.4%
Gross profit	8,473	17,996	28,142	37,942	8,911	19,151	30,327	41,455	10,380	21,687	34,502		72.4%	47,660
YoY	13.2%	12.3%	11.8%	9.9%	5.2%	6.4%	7.8%	9.3%	16.5%	13.2%	13.8%			15.0%
GP%	76.1%	75.5%	75.8%	75.2%	76.2%	75.7%	76.1%	75.5%	76.9%	76.2%	76.6%			75.9%
SG&A expenses	7,694	15,976	24,236	32,540	8,363	16,974	26,127	35,384	9,374	19,014	29,272		72.4%	40,410
YoY	7.2%	7.6%	5.4%	5.5%	8.7%	6.2%	7.8%	8.7%	12.1%	12.0%	12.0%			14.2%
SG&A ratio	69.1%	67.1%	65.3%	64.5%	71.5%	67.1%	65.6%	64.5%	69.4%	66.8%	65.0%			64.3%
Operating profit	779	2,019	3,906	5,402	548	2,177	4,200	6,071	1,005	2,673	5,229		72.1%	7,250
YoY	152.1%	69.9%	79.8%	46.7%	-29.7%	7.8%	7.5%	12.4%	83.4%	22.8%	24.5%			19.4%
OPM	7.0%	8.5%	10.5%	10.7%	4.7%	8.6%	10.5%	11.1%	7.4%	9.4%	11.6%			11.5%
Recurring profit	703	1,892	3,749	5,227	426	1,921	3,860	5,627	900	2,467	4,791		70.0%	6,840
YoY	155.6%	67.1%	78.8%	45.0%	-39.4%	1.5%	3.0%	7.7%	111.3%	28.4%	24.1%			21.6%
RPM	6.3%	7.9%	10.1%	10.4%	3.6%	7.6%	9.7%	10.3%	6.7%	8.7%	10.6%			10.9%
Net income	374	894	2,097	2,767	166	1,034	2,235	3,097	501	1,443	3,004		77.0%	3,900
YoY	1338.5%	95.6%	87.6%	39.7%	-55.6%	15.7%	6.6%	11.9%	201.8%	39.6%	34.4%			25.9%
Net margin	3.4%	3.8%	5.6%	5.5%	1.4%	4.1%	5.6%	5.6%	3.7%	5.1%	6.7%			6.2%

Quarterly (JPYmm)	FY08/17				FY08/18				FY08/19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	11,135	12,685	13,316	13,315	11,695	13,599	14,558	15,020	13,506	14,949	16,565	
YoY	11.9%	9.6%	10.1%	5.9%	5.0%	7.2%	9.3%	12.8%	15.5%	9.9%	13.8%	
Gross profit	8,473	9,523	10,146	9,800	8,911	10,240	11,176	11,128	10,380	11,307	12,815	
YoY	13.2%	11.4%	10.9%	4.8%	5.2%	7.5%	10.2%	13.6%	16.5%	10.4%	14.7%	
GP%	76.1%	75.1%	76.2%	73.6%	76.2%	75.3%	76.8%	74.1%	76.9%	75.6%	77.4%	
SG&A expenses	7,694	8,282	8,260	8,304	8,363	8,611	9,153	9,257	9,374	9,640	10,258	
YoY	7.2%	8.0%	1.2%	5.9%	8.7%	4.0%	10.8%	11.5%	12.1%	11.9%	12.1%	
#	69.1%	65.3%	62.0%	62.4%	71.5%	63.3%	62.9%	61.6%	69.4%	64.5%	61.9%	
Operating profit	779	1,240	1,887	1,496	548	1,629	2,023	1,871	1,005	1,668	2,556	
YoY	152.1%	41.1%	91.6%	-0.9%	-29.7%	31.4%	7.2%	25.1%	83.4%	2.4%	26.3%	
OPM	7.0%	9.8%	14.2%	11.2%	4.7%	12.0%	13.9%	12.5%	7.4%	11.2%	15.4%	
Recurring profit	703	1,189	1,857	1,478	426	1,495	1,939	1,767	900	1,567	2,324	
YoY	155.6%	38.7%	92.4%	-1.9%	-39.4%	25.7%	4.4%	19.6%	111.3%	4.8%	19.9%	
RPM	6.3%	9.4%	13.9%	11.1%	3.6%	11.0%	13.3%	11.8%	6.7%	10.5%	14.0%	
Net income	374	520	1,203	670	166	868	1,201	862	501	942	1,561	
YoY	1338.5%	20.6%	82.0%	-22.3%	-55.6%	66.9%	-0.2%	28.7%	201.8%	8.5%	30.0%	
Net margin	3.4%	4.1%	9.0%	5.0%	1.4%	6.4%	8.2%	5.7%	3.7%	6.3%	9.4%	

Performance by segment

Quarterly (JPYmm)	FY08/17				FY08/18				FY08/19				FY08/19	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.
Sales	11,135	12,685	13,316	13,315	11,695	13,599	14,558	15,020	13,506	14,949	16,565		71.7%	62,800
YoY	11.9%	9.6%	10.1%	5.9%	5.0%	7.2%	9.3%	12.8%	15.5%	9.9%	13.8%			14.4%
Eyewear (Japan)	9,314	10,646	11,054	11,192	9,495	11,233	11,903	12,436	10,389	11,668	12,842		72.0%	48,500
YoY	11.7%	8.3%	8.4%	4.5%	1.9%	5.5%	7.7%	11.1%	9.4%	3.9%	7.9%			7.6%
Eyewear (Overseas)	1,151	1,167	1,462	1,423	1,636	1,637	1,990	1,950	2,571	2,574	3,005		70.9%	11,500
YoY	16.5%	26.0%	31.2%	28.4%	42.1%	40.3%	36.1%	37.0%	57.2%	57.2%	51.0%			59.4%
Accessories	669	872	799	702	563	730	664	632	545	713	712		70.4%	2,800
YoY	7.4%	5.8%	2.2%	-6.6%	-15.8%	-16.3%	-16.9%	-10.0%	-3.2%	-2.3%	7.2%			8.1%
Operating profit	779	1,240	1,887	1,496	548	1,629	2,023	1,871	1,005	1,668	2,556		72.1%	7,250
YoY	152.1%	41.1%	91.6%	-0.9%	-29.7%	31.4%	7.2%	25.1%	83.4%	2.4%	26.3%			19.4%
OPM	7.0%	9.8%	14.2%	11.2%	4.7%	12.0%	13.9%	12.5%	7.4%	11.2%	15.4%			11.5%
Eyewear (Japan)	836	1,364	1,851	1,647	589	1,737	1,992	1,917	1,037	1,771	2,256		73.4%	6,900
YoY	112.7%	45.0%	92.2%	4.8%	-29.5%	27.3%	7.6%	16.4%	76.1%	2.0%	13.3%			10.7%
OPM	9.0%	12.8%	16.7%	14.7%	6.2%	15.5%	16.7%	15.4%	10.0%	15.2%	17.6%			14.2%
Eyewear (Overseas)	-59	-169	4	-103	53	-68	70	15	35	-80	285		53.3%	450
YoY	-	-	-	-	-	-	1650.0%	-	-34.0%	-	307.1%			542.9%
OPM	-5.1%	-14.5%	0.3%	-7.2%	3.2%	-4.2%	3.5%	0.8%	1.4%	-3.1%	9.5%			3.9%
Accessories	2	46	32	-49	-95	-38	-41	-61	-66	-24	15		-	-100
YoY	-85.7%	24.3%	-44.8%	-	-	-	-	-	-	-	-			-
OPM	0.3%	5.3%	4.0%	-7.0%	-16.9%	-5.2%	-6.2%	-9.7%	-12.1%	-3.4%	2.1%			-3.6%

Source: Shared Research based on company data

Note: Taiwanese subsidiary was newly consolidated from Q1 FY08/19.

SG&A expenses

Quarterly (JPYmm)	FY08/17				FY08/18				FY08/19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SG&A expenses	7,694	8,282	8,260	8,304	8,363	8,611	9,153	9,257	9,374	9,640	10,258	
YoY	7.2%	8.0%	1.2%	5.9%	8.7%	4.0%	10.8%	11.5%	12.1%	11.9%	12.1%	
Salaries and allowances	2,316	2,391	2,483	2,386	2,440	2,586	2,638	2,695	2,801	2,940	-	
YoY	9.7%	7.9%	9.5%	2.8%	5.4%	8.2%	6.2%	13.0%	14.8%	13.7%	-	
Rents	1,973	2,132	2,238	2,327	2,074	2,233	2,350	2,384	2,374	2,495	-	
YoY	9.6%	10.0%	7.9%	15.3%	5.1%	4.7%	5.0%	2.4%	14.5%	11.7%	-	
Advertising expenses	493	481	500	376	631	341	524	402	437	353	-	
YoY	-8.0%	-34.1%	-34.3%	-4.3%	28.0%	-29.1%	4.8%	6.9%	-30.7%	3.5%	-	

Store count

Quarterly	FY08/17				FY08/18				FY08/19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Eyewear store count (Japan)	313	314	320	323	333	334	343	349	362	362	375	
Openings	7	2	9	5	10	3	10	7	13	1	13	
Closures	-1	-1	-3	-2	-	-2	-1	-1	-	-1	-	
Eyewear store count (China)	89	97	97	103	113	124	125	130	136	141	141	
Openings	7	8	2	8	11	11	4	5	8	8	1	
Closures	-	-	-2	-2	-1	-	-3	-	-2	-3	-1	
Eyewear store count (Taiwan)	-	-	-	-	-	-	-	21	22	25	27	
Openings	-	-	-	-	-	-	-	-	1	3	2	
Closures	-	-	-	-	-	-	-	-	-	-	-	
Eyewear store count (Hong Kong)	-	-	-	-	-	-	-	-	1	2	2	
Openings	-	-	-	-	-	-	-	-	1	1	-	
Closures	-	-	-	-	-	-	-	-	-	-	-	
Eyewear store count (US)	3	4	4	4	4	4	4	4	5	5	5	
Openings	2	1	-	-	-	-	-	-	1	-	-	
Closures	-	-	-	-	-	-	-	-	-	-	-	

Quarterly	FY08/17				FY08/18				FY08/19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Accessories store count (Men's)	19	19	20	20	21	21	21	21	21	21	21	
Openings	1	-	1	-	1	-	-	-	-	-	-	
Closures	-	-	-	-	-	-	-	-	-	-	-	
Accessories store count (Women's)	21	21	21	20	20	18	19	19	19	19	19	
Openings	-	-	-	-	1	-	1	-	-	-	-	
Closures	-1	-	-	-1	-1	-2	-	-	-	-	-	

Sales at directly operated eyewear stores in Japan

	FY08/17				FY08/18				FY08/19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Eyewear store sales YoY (Japan)												
Comparable stores	11.1%	3.6%	3.1%	1.9%	-0.7%	0.3%	4.9%	5.7%	5.6%	1.9%	4.5%	
All stores	4.9%	8.5%	7.2%	6.3%	2.4%	3.9%	8.7%	9.7%	9.3%	5.0%	7.6%	

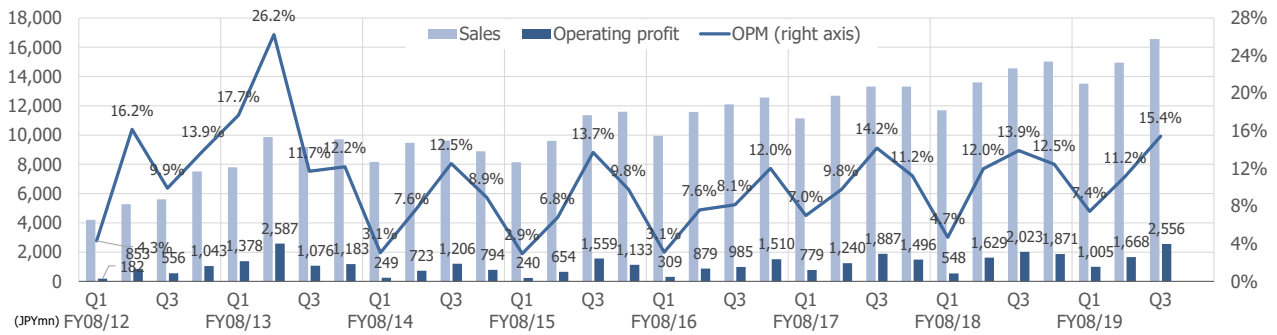
Source: Shared Research based on company data

Q3 FY08/19 results (out July 11, 2019)

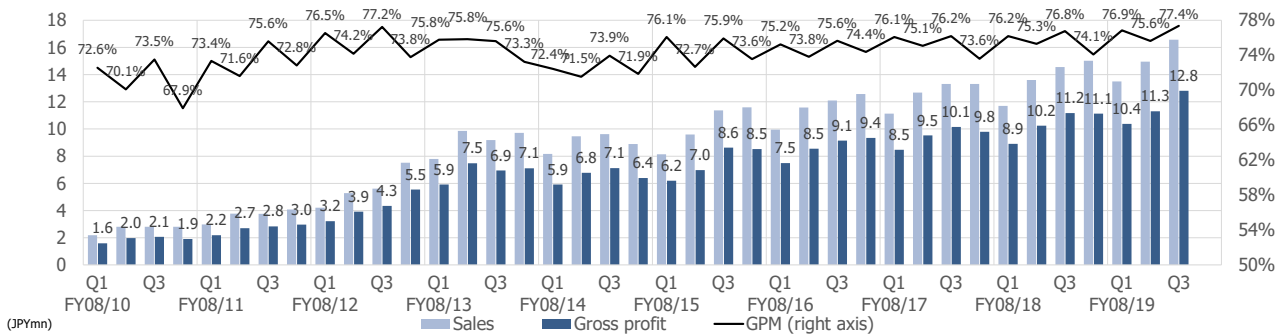
Overview

- ▷ For cumulative Q3 FY08/19, the company reported sales of JPY45.0bn (+13.0% YoY), operating profit of JPY5.2bn (+24.5% YoY), and net income of JPY3.0bn (+34.4% YoY). Full-year forecast remains unchanged. Progress rates against full-year forecasts were 71.7% for sales (72.6% in Q3 FY08/18), 72.1% for operating profit (69.2%), and 77.0% for net income (72.2%).
- ▷ For Q3 FY08/19 quarter alone, the company reported sales of JPY16.6bn (+13.8% YoY), operating profit of JPY2.6bn (+26.3% YoY), and net income of JPY1.6bn (+30.0% YoY). “JINS Switch,” a pair of glasses which can also be worn as sunglasses, launched on March 21st, drove sales and sales of optional lens JINS SCREEN were strong as well. Gross profit grew to JPY12.8bn (+14.7% YoY) and gross profit margins increased 0.6pp to 77.4% (76.8% in Q3 FY08/18). SG&A expenses also grew, reaching JPY10.3bn (+12.1% YoY). This was largely due to a rise in labor, rent, and advertising expenses to fuel the company’s growth. At the same time, SG&A expense ratio improved by 1.0pp YoY to 61.9% and operating margins improved 1.5pp YoY to 15.4%.
- ▷ In the domestic eyewear business, sales were JPY12.8bn (+7.9% YoY), and operating profit was JPY2.3bn (+13.3 % YoY) in Q3 FY08/19. Although Q2 FY08/19 growth was slow, with sales up 3.9% YoY and operating profit up 2.0% YoY, business growth gained traction in Q3. Comparable store sales were up 4.5% YoY and overall store sales were up 7.6%. This is likely attributable to the launch of JINS Switch as well as TV ads. The company opened 13 stores during Q3, with a total domestic store count of 375 at end-Q3 (+9.3% YoY).
- ▷ The overseas eyewear business recorded Q3 FY08/19 sales of JPY3.0bn (+51.0% YoY) and an operating profit of JPY285mn (+4x YoY). A Taiwanese subsidiary, newly consolidated in Q1 FY08/19, contributed to sales and comparable store sales came in strong in the China and US markets. During Q3 FY08/19, the company opened 1 store and closed 1 store in China, closing the quarter with 141 stores (+12.8% YoY). In Taiwan, JINS opened 2 stores, with 27 stores at end-Q3. At the end of Q3 FY08/19, the company had 175 overseas stores (+35.7%, including a new consolidated subsidiary).
- ▷ The accessories business recorded Q3 FY08/19 sales of JPY712mn (+7.2% YoY) and an operating profit of JPY15mn (versus a loss of JPY41mn in Q3 FY08/18).

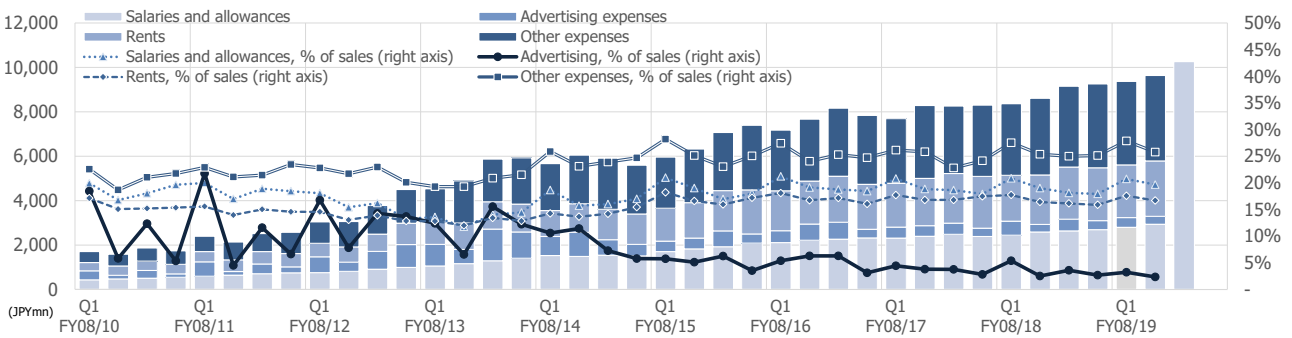
Earnings



Gross profit margin



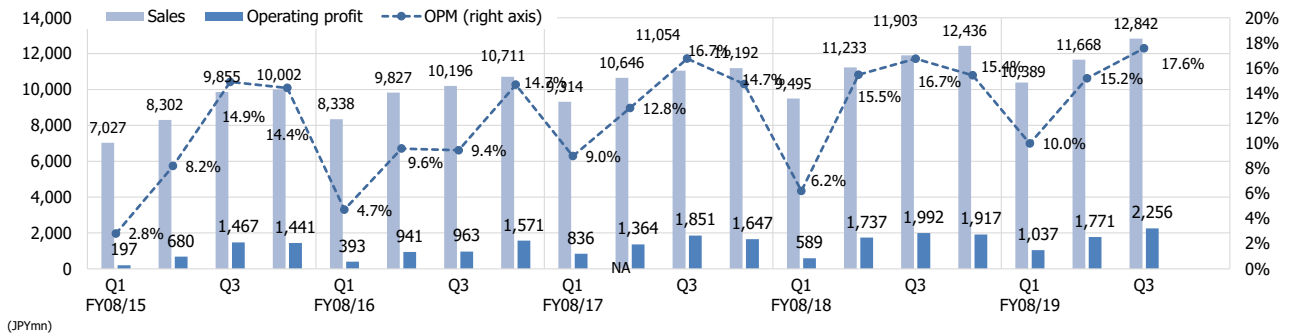
SG&A expenses



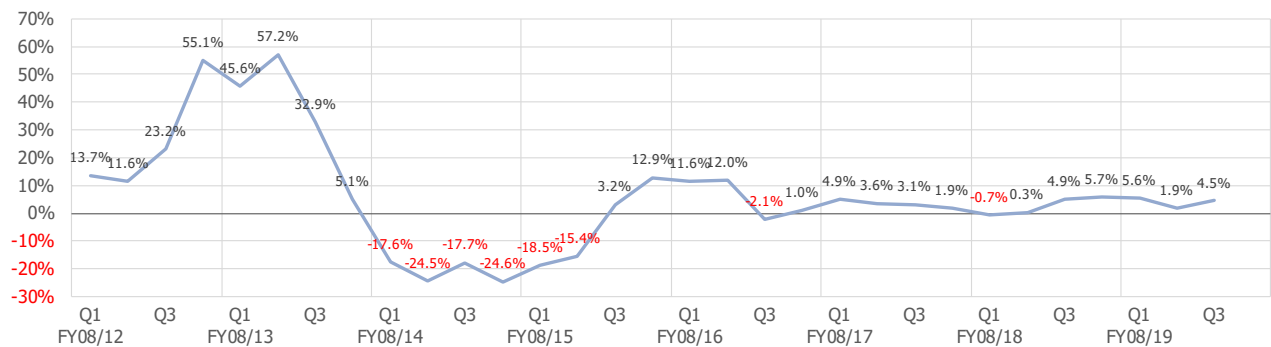
Source: Shared Research based on company data

Domestic eyewear business

Domestic eyewear business

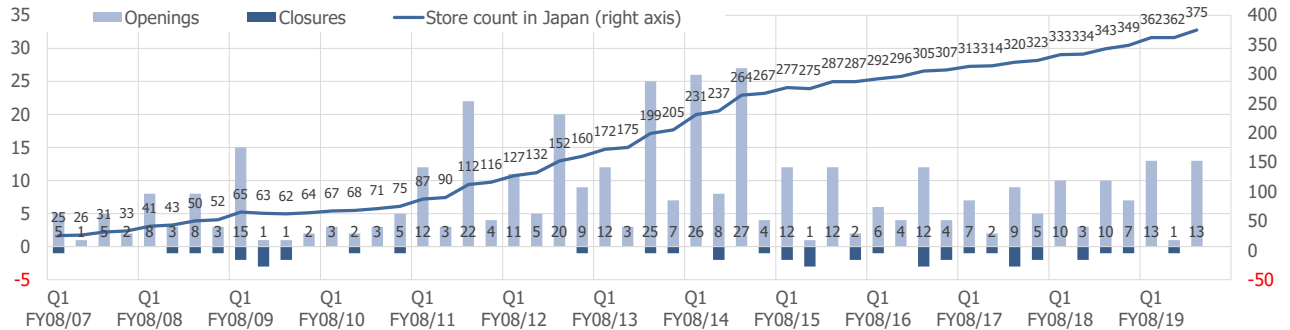


YoY comparable store sales



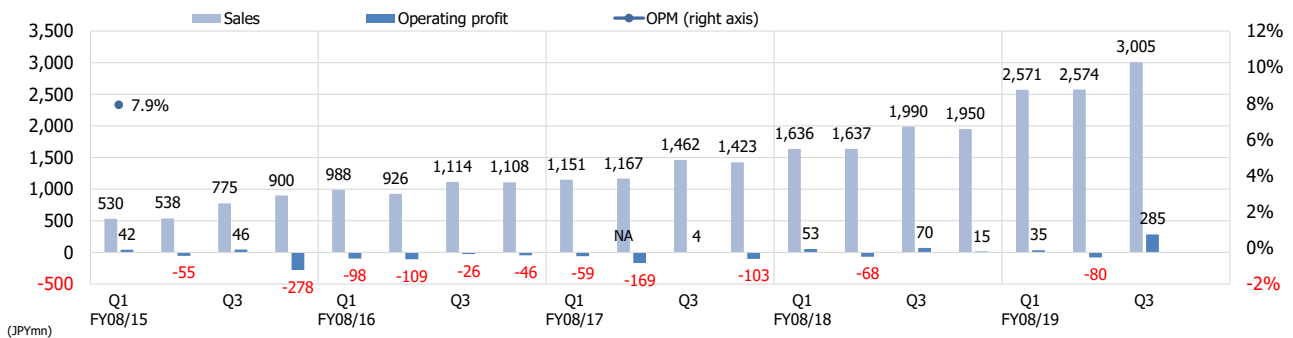
Source: Shared Research based on company data

Number of eyewear stores



Overseas eyewear business

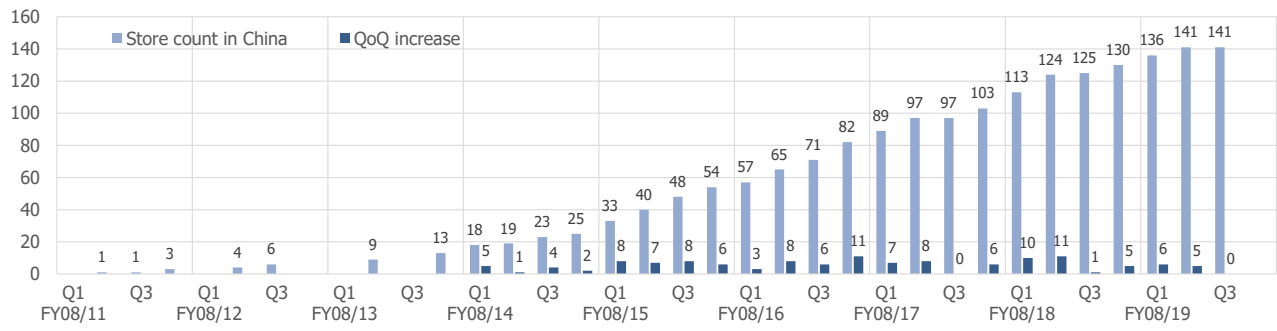
Overseas eyewear business



Source: Shared Research, based on company data

Note: Taiwanese subsidiary was newly consolidated from Q1 FY08/19.

China: Eyewear store count



Source: Shared Research based on company data

This note is the most recent addition to the [full report](#).

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