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On April 9, 2021, JINS Holdings Inc. announced earnings results for 1H FY08/21.

Cumulative (JPYmm)	FY08/19				FY08/20				FY08/21		FY08/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Sales	13,506	28,455	45,020	61,893	14,928	31,513	41,816	60,258	14,813	31,643	45.1%	70,143
YoY	15.5%	12.5%	13.0%	12.8%	10.5%	10.7%	-7.1%	-2.6%	-0.8%	0.4%		16.4%
Gross profit	10,380	21,687	34,502	47,343	11,650	24,434	32,570	46,698	11,766	25,057	45.4%	55,174
YoY	16.5%	13.2%	13.8%	14.2%	12.2%	12.7%	-5.6%	-1.4%	1.0%	2.5%		18.2%
Gross profit margin	76.9%	76.2%	76.6%	76.5%	78.0%	77.5%	77.9%	77.5%	79.4%	79.2%		78.7%
SG&A expenses	9,374	19,014	29,272	39,884	10,305	21,148	29,873	41,080	10,985	22,394	47.7%	46,961
YoY	12.1%	12.0%	12.0%	12.7%	9.9%	11.2%	2.1%	3.0%	6.6%	5.9%		14.3%
SG&A ratio	69.4%	66.8%	65.0%	64.4%	69.0%	67.1%	71.4%	68.2%	74.2%	70.8%		67.0%
Operating profit	1,005	2,673	5,229	7,459	1,345	3,285	2,697	5,617	781	2,662	32.4%	8,212
YoY	83.4%	22.8%	24.5%	22.9%	33.8%	22.9%	-48.4%	-24.7%	-41.9%	-19.0%		46.2%
Operating profit margin	7.4%	9.4%	11.6%	12.1%	9.0%	10.4%	6.4%	9.3%	5.3%	8.4%		11.7%
Recurring profit	900	2,467	4,791	7,015	1,367	3,370	2,633	5,827	705	2,584	32.8%	7,884
YoY	111.3%	28.4%	24.1%	24.7%	51.9%	36.6%	-45.0%	-16.9%	-48.4%	-23.3%		35.3%
Recurring profit margin	6.7%	8.7%	10.6%	11.3%	9.2%	10.7%	6.3%	9.7%	4.8%	8.2%		11.2%
Net income	501	1,443	3,004	3,869	833	2,063	-15	1,687	369	1,913	38.5%	4,963
YoY	201.8%	39.6%	34.4%	24.9%	66.3%	43.0%	-	-56.4%	-55.7%	-7.3%		194.2%
Net margin	3.7%	5.1%	6.7%	6.3%	5.6%	6.5%	0.0%	2.8%	2.5%	6.0%		7.1%

Quarterly (JPYmm)	FY08/19				FY08/20				FY08/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Sales	13,506	14,949	16,565	16,873	14,928	16,585	10,303	18,442	14,813	16,830
YoY	15.5%	9.9%	13.8%	12.3%	10.5%	10.9%	-37.8%	9.3%	-0.8%	1.5%
Gross profit	10,380	11,307	12,815	12,841	11,650	12,784	8,136	14,128	11,766	13,291
YoY	16.5%	10.4%	14.7%	15.4%	12.2%	13.1%	-36.5%	10.0%	1.0%	4.0%
Gross profit margin	76.9%	75.6%	77.4%	76.1%	78.0%	77.1%	79.0%	76.6%	79.4%	79.0%
SG&A expenses	9,374	9,640	10,258	10,612	10,305	10,843	8,725	11,207	10,985	11,409
YoY	12.1%	11.9%	12.1%	14.6%	9.9%	12.5%	-14.9%	5.6%	6.6%	5.2%
SG&A ratio	69.4%	64.5%	61.9%	62.9%	69.0%	65.4%	84.7%	60.8%	74.2%	67.8%
Operating profit	1,005	1,668	2,556	2,230	1,345	1,940	-588	2,920	781	1,881
YoY	83.4%	2.4%	26.3%	19.2%	33.8%	16.3%	-	30.9%	-41.9%	-3.0%
Operating profit margin	7.4%	11.2%	15.4%	13.2%	9.0%	11.7%	-5.7%	15.8%	5.3%	11.2%
Recurring profit	900	1,567	2,324	2,224	1,367	2,003	-737	3,194	705	1,879
YoY	111.3%	4.8%	19.9%	25.9%	51.9%	27.8%	-	43.6%	-48.4%	-6.2%
Recurring profit margin	6.7%	10.5%	14.0%	13.2%	9.2%	12.1%	-7.2%	17.3%	4.8%	11.2%
Net income	501	942	1,561	865	833	1,230	-2,078	1,702	369	1,544
YoY	201.8%	8.5%	30.0%	0.3%	66.3%	30.6%	-	96.8%	-55.7%	25.5%
Net margin	3.7%	6.3%	9.4%	5.1%	5.6%	7.4%	-20.2%	9.2%	2.5%	9.2%

#### Performance by segment

Quarterly (JPYmm)	FY08/19				FY08/20				FY08/21		FY08/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Sales	13,506	14,949	16,565	16,873	14,928	16,585	10,303	18,442	14,813	16,830	45.1%	70,143
YoY	15.5%	9.9%	13.8%	12.3%	10.5%	10.9%	-37.8%	9.3%	-0.8%	1.5%		16.4%
Eyewear (Japan)	10,389	11,668	12,842	13,256	11,341	13,127	7,588	15,268	11,696	13,755	44.7%	56,951
YoY	9.4%	3.9%	7.9%	6.6%	9.2%	12.5%	-40.9%	15.2%	3.1%	4.8%		20.3%
Eyewear (Overseas)	2,571	2,574	3,005	2,945	3,036	2,790	2,446	2,584	3,117	3,074	46.9%	13,191
YoY	57.2%	57.2%	51.0%	51.0%	18.1%	8.4%	-18.6%	-12.3%	2.7%	10.2%		21.5%
Accessories	545	713	712	672	549	669	270	590	-	-		-
YoY	-3.2%	-2.3%	7.2%	6.3%	0.7%	-6.2%	-62.1%	-12.2%	-	-		-
Operating profit	1,005	1,668	2,556	2,230	1,345	1,940	-588	2,920	781	1,881	32.4%	8,212
YoY	83.4%	2.4%	26.3%	19.2%	33.8%	16.3%	-	30.9%	-41.9%	-3.0%		46.2%
Operating profit margin	7.4%	11.2%	15.4%	13.2%	9.0%	11.7%	-5.7%	15.8%	5.3%	11.2%		11.7%
Eyewear (Japan)	1,037	1,771	2,256	2,178	1,163	2,086	-328	3,021	558	1,913	32.0%	7,721
YoY	76.1%	2.0%	13.3%	13.6%	12.2%	17.8%	-	38.7%	-52.0%	-8.3%		29.9%
Operating profit margin	10.0%	15.2%	17.6%	16.4%	10.3%	15.9%	-4.3%	19.8%	4.8%	13.9%		11.0%
Eyewear (Overseas)	35	-80	285	120	228	-146	-108	17	222	-31	38.9%	491
YoY	-34.0%	-	307.1%	700.0%	551.4%	-	-	-85.8%	-2.6%	-		-
Operating profit margin	1.4%	-3.1%	9.5%	4.1%	7.5%	-5.2%	-4.4%	0.7%	7.1%	-1.0%		0.7%
Accessories	-66	-24	15	-69	-46	0	-151	-119	-	-		-
YoY	-	-	-	-	-	-	-	-	-	-		-
Operating profit margin	-12.1%	-3.4%	2.1%	-10.3%	-8.4%	0.0%	-55.9%	-20.2%	-	-		-

Source: Shared Research based on company data

Notes: Taiwanese subsidiary was added to consolidated results in Q1 FY08/19. Q3 FY08/20 results include a charge-off of JPY1.2bn for fixed costs under extraordinary losses, these costs having been incurred during the period when the company's stores were temporarily shut down as a result of the COVID-19 pandemic.

Difference in fiscal terms: Because the JINS parent and the overseas subsidiaries have fiscal terms ending in different months, the subsidiaries make provisional settlements at the end of June, with those provisional figures reflected in consolidated results. As such, FY08/20 results reflected the earnings of overseas subsidiaries from July 2019 through June 2020.

## Sales at directly operated eyewear stores in Japan

Quarterly	FY08/19				FY08/20				FY08/21		FY08/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Eyewear store sales YoY (Japan)											
Comparable stores	5.6%	1.9%	4.5%	3.5%	6.4%	7.8%	-47.1%	6.4%	-3.8%	-2.9%	14.0%
All stores	9.3%	5.0%	7.6%	7.3%	10.3%	13.5%	-43.8%	12.6%	0.5%	0.8%	17.8%

Source: Shared Research based on company data

## Store count

Quarterly	FY08/19				FY08/20				FY08/21		FY08/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Eyewear store count (Japan)	362	362	375	379	399	404	409	415	425	428	435
Openings	13	1	13	5	21	6	7	6	14	3	27
Closures	-	-1	-	-1	-1	-1	-2	-	-4	-	-7
Eyewear store count (China)	136	141	141	144	153	160	159	162	167	168	171
Openings	8	8	1	3	11	11	-	4	6	3	15
Closures	-2	-3	-1	-8	-2	-4	-1	-1	-1	-2	-6
Eyewear store count (Taiwan)	22	25	27	28	29	30	30	30	32	33	35
Openings	1	3	2	1	1	1	-	-	2	1	6
Closures	-	-	-	-	-	-	-	-	-	-	-1
Eyewear store count (Hong Kong)	1	2	2	4	6	6	6	6	6	6	6
Openings	1	1	-	2	2	-	-	-	-	-	-
Closures	-	-	-	-	-	-	-	-	-	-	-
Eyewear store count (US)	5	5	5	5	5	5	5	5	5	5	6
Openings	1	-	-	-	-	-	-	-	-	-	1
Closures	-	-	-	-	-	-	-	-	-	-	-

Source: Shared Research based on company data

## SG&A expenses

Quarterly (JPYmn)	FY08/19				FY08/20				FY08/21		FY08/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
SG&A expenses	9,374	9,640	10,258	10,612	10,305	10,843	8,725	11,207	10,985	11,409	47.7%	46,961
YoY	12.1%	11.9%	12.1%	14.6%	9.9%	12.5%	-14.9%	5.6%	6.6%	5.2%	-	14.3%
Salaries and allowances	2,801	2,940	2,963	3,097	3,087	3,258	2,425	3,240	3,259	3,369	-	-
YoY	14.8%	13.7%	12.3%	14.9%	10.2%	10.8%	-18.2%	4.6%	5.6%	3.4%	-	-
Rents	2,374	2,495	2,647	2,694	2,619	2,778	1,825	2,686	2,660	2,767	-	-
YoY	14.5%	11.7%	12.6%	13.0%	10.3%	11.3%	-31.1%	-0.3%	1.6%	-0.4%	-	-
Advertising expenses	437	353	712	712	448	480	734	726	756	726	-	-
YoY	-30.7%	3.5%	35.9%	77.1%	2.5%	36.0%	3.1%	2.0%	68.8%	51.3%	-	-
R&D expenses	-	-	-	-	66	67	77	122	160	56	-	-
YoY	-	-	-	-	-	-	-	-	142.4%	-16.4%	-	-
Other	3,762	3,852	3,936	4,021	4,085	4,260	3,664	4,433	4,150	4,491	-	-
YoY	16.9%	11.6%	8.1%	6.5%	8.6%	10.6%	-6.9%	10.2%	1.6%	5.4%	-	-

Source: Shared Research based on company data

Note: Q3 FY08/20 results include a charge-off of roughly JPY1.2bn to cover fixed costs, booking the charge as extraordinary losses as these costs had been incurred during the period when the company's stores were temporarily closed as a result of the COVID-19 pandemic. The costs were broken down as follows: personnel costs of approximately JPY750mn, depreciation of approximately JPY110mn, and rent expenses of roughly JPY230mn.

## 1H FY08/21 results (out April 9, 2021)

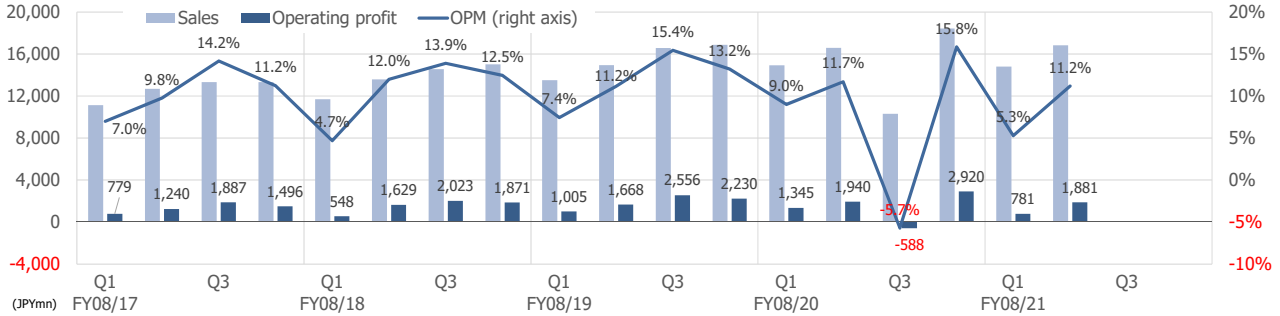
### Overview

- ▷ **1H results:** For 1H FY08/21 (September 2020–February 2021), the company reported consolidated sales of JPY31.6bn (+0.4% YoY), operating profit of JPY2.7bn (-19.0% YoY), and net income of JPY1.9bn (-7.3% YoY). The increase in sales reflects rising sales at both its domestic and overseas eyewear businesses, which together offset the drop in sales resulting from the company's pullout from the accessories business. The gross profit margin of 79.2% was up from 77.5% in 1H FY08/20, the margin improvement here reflecting the more profitable sales mix resulting from the dropout of accessory sales and strong growth in sales of the company's high-end Ultra Light Airframe line and other high value-added eyewear. SG&A spending of JPY22.4bn was up 5.9% YoY, the increase driven largely by additional spending on advertising and R&D. At JPY1.5bn, advertising spending was up 59.7% YoY on the back of heavy spending on television advertising for JINS 1DAY contact lenses. R&D spending of JPY216mn was up 62.4% YoY, the increase here stemming largely from added spending on R&D for eyeglass-type medical devices that use violet light to slow the progression of myopia (nearsightedness). For Q2 (December 2020–February 2021), the company reported consolidated sales of JPY16.8bn (+1.5% YoY) and operating profit of JPY1.9bn (-3.0% YoY).
- ▷ **Full-year forecast:** For FY08/21, the company projects full-year consolidated sales of JPY70.1bn (+16.4% YoY), operating profit of JPY8.2bn (+46.2% YoY), net income of JPY5.0bn (+194.2% YoY), and EPS of JPY212.7. Underlying the company's forecast for record-high earnings in FY08/21 is its expectation of continued growth in eyewear sales both in Japan and overseas, and more sales from its high-value-added product lines. Issued on April 5, 2021, this revised forecast compares with the company's initial forecast calling for full-year sales of JPY71.8bn, operating profit of JPY8.3bn, and net income of JPY4.4bn. While lowering its estimate for full-year sales, the company sees its gross profit margin improving more than previously expected and net income further benefiting from lower taxes. The company plans to pay annual dividends of JPY65.0 per share for FY08/21; representing a dividend payout ratio of 30.6% on projected earnings, this is up from a dividend of JPY25.0 per share in FY08/20.
- ▷ **Domestic eyewear business:** For 1H, the domestic eyewear business reported sales of JPY25.5bn (+4.0% YoY) and operating profit of JPY2.5bn (-23.9% YoY). Though still fighting stiff headwinds during the period as fears of novel coronavirus infections continued to dissuade many shoppers from coming into urban shopping districts, the company managed to limit the decline in comparable-store sales to 3.3% YoY thanks to strong sellers such as JINS POKEMON Model frames and high-value-added products such as its Ultra Light Airframe frames (made of light-weight parts). The company continued to open new stores, adding a net total of 24 stores to bring its store count at end-1H to 428 stores (+5.9% YoY), with most of the new stores being opened near residential districts. Also contributing to the sales gains was booming online sales, which at JPY1.6bn were up 92.1% YoY, the gains here being attributed to heavy promotional spending for the company's e-commerce business and a television advertising campaign for its JINS 1DAY line of contact lenses. With the average spend per customer rising, the gross profit margin was up but not by enough to offset the jump in advertising spending, leaving operating profit for 1H down YoY. For Q2 (December 2020–February 2021), the domestic eyewear business reported sales of JPY13.8bn (+4.8% YoY) and operating profit of JPY1.9bn (-8.3% YoY).
- ▷ **Overseas eyewear business:** For 1H (July–December 2020), the overseas eyewear business reported sales of JPY6.2bn (+6.3% YoY) and operating profit of JPY191mn (132.5% YoY). The solid performance was attributed largely to strong sales in China and Taiwan, where novel coronavirus infections were less of a problem, and a steady rebound in sales in Hong Kong as demonstrations and civil disorder diminished. In the US, the pandemic continued slowly winding down but ongoing restrictions on the number of people allowed into stores at one time remained an obstacle and so the company focused its efforts instead on expanding online sales. As of end-1H, the company reported a total of 168 stores in China (net increase of six

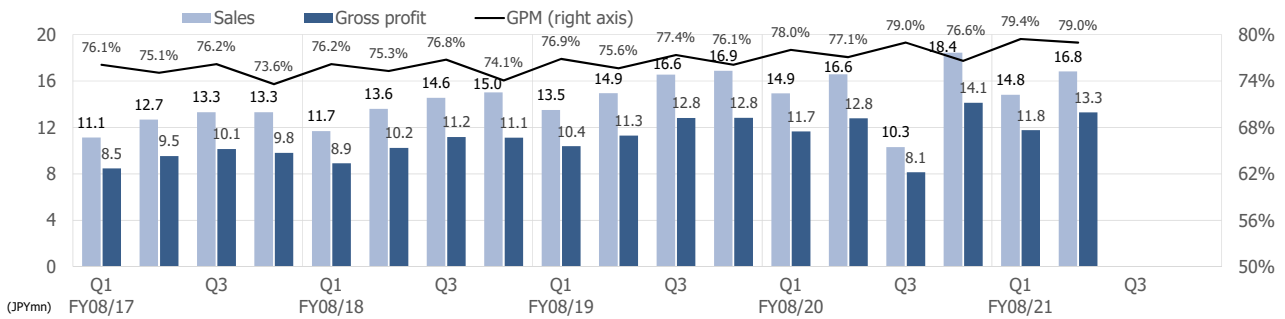
versus end-FY08/20), 33 stores in Taiwan (+3), six stores in Hong Kong (unchanged), and five stores in the US (unchanged). For the three-month period of Q2, the overseas eyewear business reported sales of JPY3.1bn (+10.2% YoY) and operating loss of JPY31mn (versus year-earlier loss of JPY146mn).



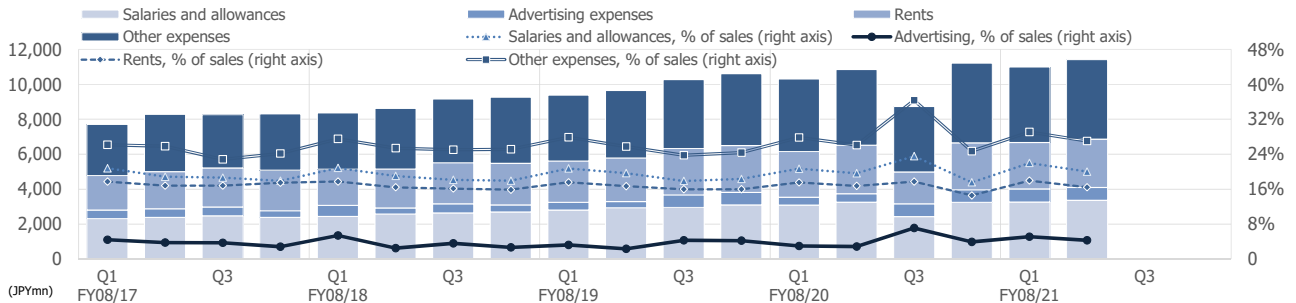
**Earnings**



**Gross profit margin**



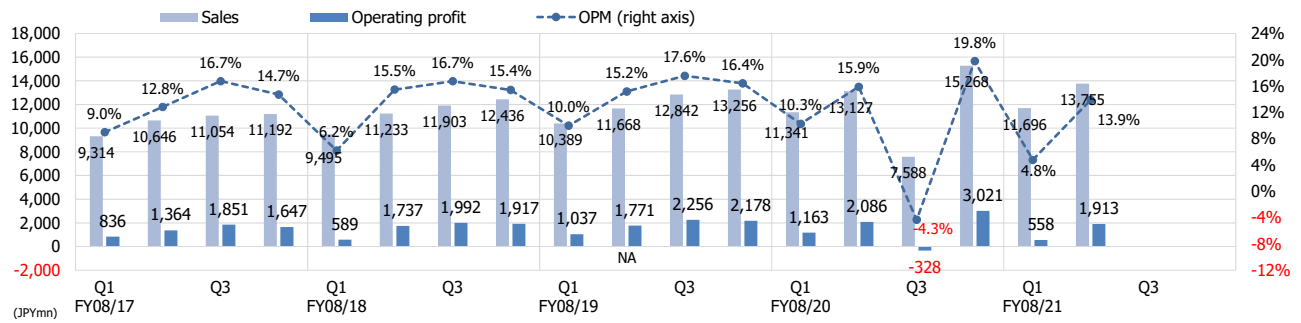
**SG&A expenses**



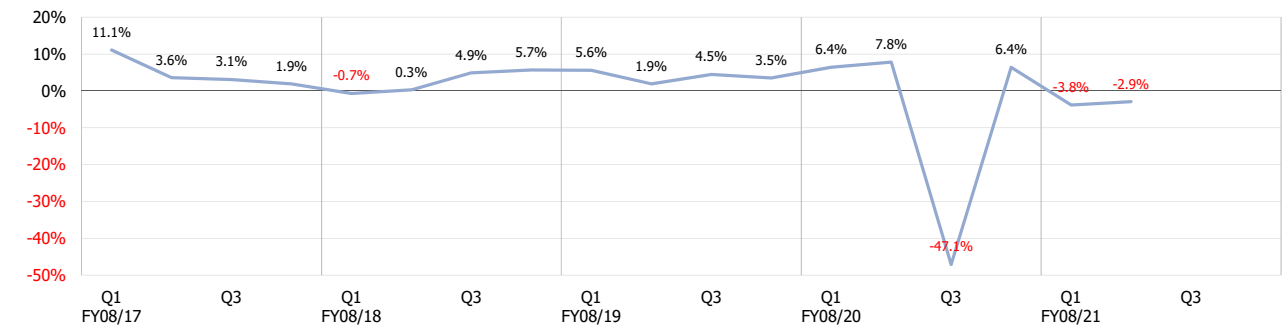
Source: Shared Research based on company data

## Domestic eyewear business

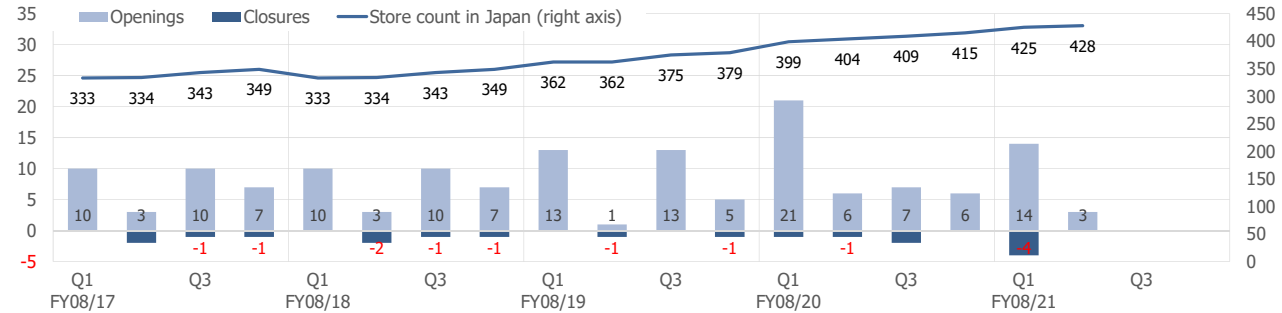
### Domestic eyewear business



### YoY comparable store sales



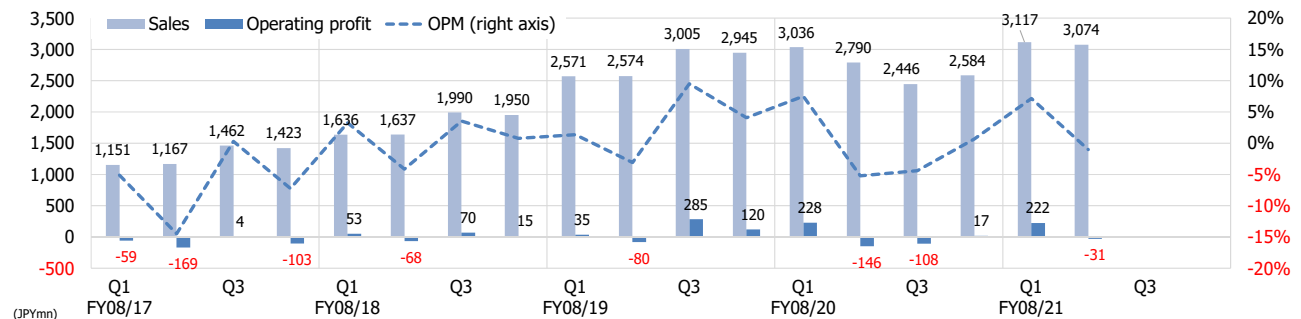
### Number of eyewear stores



Source: Shared Research based on company data

## Overseas eyewear business

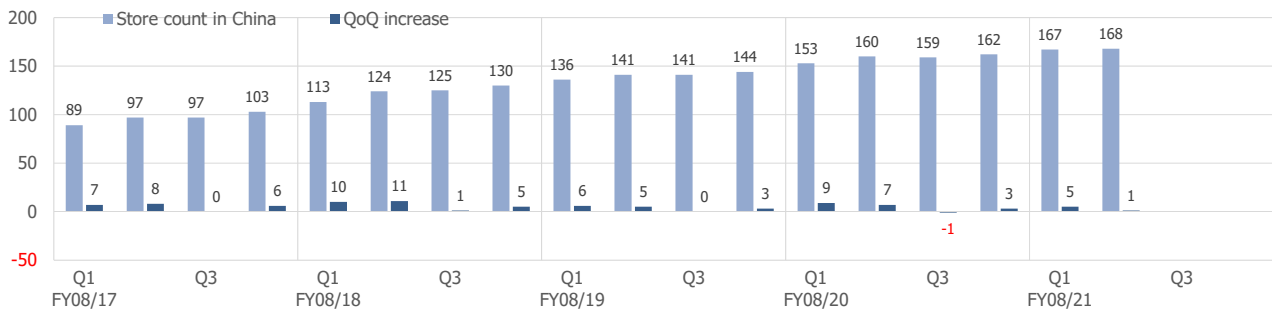
### Overseas eyewear business



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

Full-year company forecast for FY08/21

Company forecasts (JPYmn)	FY08/20			FY08/21 (out April 5)			FY08/21 Initial Est.		
	1H	2H	FY	1H Act.	2H Est.	FY Est.	1H Est.	2H Est.	FY Est.
Sales	31,513	28,745	60,258	31,643	38,500	70,143	33,300	38,500	71,800
YoY	10.7%	-14.0%	-2.6%	0.4%	33.9%	16.4%	5.7%	33.9%	19.2%
Gross profit	24,434	22,264	46,698	25,057	30,117	55,174	25,057	31,143	56,200
YoY	12.7%	-13.2%	-1.4%	2.5%	35.3%	18.2%	2.5%	39.9%	20.3%
Gross profit margin	77.5%	77.5%	77.5%	79.2%	78.2%	78.7%	75.2%	80.9%	78.3%
SG&A expenses	21,148	19,932	41,080	22,394	24,567	46,961	22,394	25,506	47,900
YoY	11.2%	-4.5%	3.0%	5.9%	23.3%	14.3%	5.9%	28.0%	16.6%
SG&A ratio	67.1%	69.3%	68.2%	70.8%	63.8%	67.0%	67.2%	66.2%	66.7%
Operating profit	3,285	2,332	5,617	2,662	5,550	8,212	2,750	5,550	8,300
YoY	22.9%	-51.3%	-24.7%	-19.0%	138.0%	46.2%	-16.3%	138.0%	47.8%
Operating profit margin	10.4%	8.1%	9.3%	8.4%	14.4%	11.7%	8.3%	14.4%	11.6%
Recurring profit	3,370	2,457	5,827	2,584	5,300	7,884	2,450	5,300	7,750
YoY	36.6%	-46.0%	-16.9%	-23.3%	115.7%	35.3%	-27.3%	115.7%	33.0%
Recurring profit margin	10.7%	8.5%	9.7%	8.2%	13.8%	11.2%	7.4%	13.8%	10.8%
Net income	2,063	-376	1,687	1,913	3,050	4,963	1,350	3,050	4,400
YoY	43.0%	-	-56.4%	-7.3%	-	194.2%	-34.6%	-	160.8%
Net margin	6.5%	-1.3%	2.8%	6.0%	7.9%	7.1%	4.1%	7.9%	6.1%

Source: Shared Research based on company data  
Note: Figures may differ from company materials due to differences in rounding methods.

(JPYmn)	FY08/12	FY08/13	FY08/14	FY08/15	FY08/16	FY08/17	FY08/18	FY08/19	FY08/20	FY08/21
	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Est.
Sales	22,614	36,554	36,150	40,699	46,189	50,451	54,872	61,893	60,258	70,143
YoY	55.2%	61.6%	-1.1%	12.6%	13.5%	9.2%	8.8%	12.8%	-2.6%	16.4%
Gross profit	17,015	27,445	26,194	30,324	34,528	37,942	41,455	47,343	46,698	55,174
YoY	59.2%	61.3%	-4.6%	15.8%	13.9%	9.9%	9.3%	14.2%	-1.4%	18.2%
Gross profit margin	75.2%	75.1%	72.5%	74.5%	74.8%	75.2%	75.5%	76.5%	77.5%	78.7%
SG&A expenses	14,381	21,222	23,221	26,740	30,844	32,540	35,384	39,884	41,080	46,961
YoY	49.7%	47.6%	9.4%	15.2%	15.3%	5.5%	8.7%	12.7%	3.0%	14.3%
SG&A ratio	63.6%	58.1%	64.2%	65.7%	66.8%	64.5%	64.5%	64.4%	68.2%	67.0%
Operating profit	2,634	6,223	2,973	3,585	3,683	5,402	6,071	7,459	5,617	8,212
YoY	143.1%	136.3%	-52.2%	20.6%	2.7%	46.7%	12.4%	22.9%	-24.7%	46.2%
Operating profit margin	11.6%	17.0%	8.2%	8.8%	8.0%	10.7%	11.1%	12.1%	9.3%	11.7%
Recurring profit	2,552	5,869	2,929	3,481	3,604	5,227	5,627	7,015	5,827	7,884
YoY	142.4%	130.0%	-50.1%	18.8%	3.5%	45.0%	7.7%	24.7%	-16.9%	35.3%
Recurring profit margin	11.3%	16.1%	8.1%	8.6%	7.8%	10.4%	10.3%	11.3%	9.7%	11.2%
Net income	1,090	3,419	1,245	1,902	1,980	2,767	3,097	3,869	1,687	4,963
YoY	183.7%	213.8%	-63.6%	52.8%	4.1%	39.7%	11.9%	24.9%	-56.4%	194.2%
Net margin	4.8%	9.4%	3.4%	4.7%	4.3%	5.5%	5.6%	6.3%	2.8%	7.1%

Source: Shared Research based on company data

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

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