

Results of Operations for the
First Quarter of FY4/22
(Three months ended July 31, 2021)

YA-MAN LTD.

A new beautiful.

Exceptional manufacturing that transforms beauty into reality

is achieved through inexhaustible ideas and outstanding product development.

We will continue to renew our definition of “beautiful” to help attain perfect beauty and bring delight and inspiration to the world.

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Income Statement Highlights

During the first quarter, the YA-MAN Group made substantial investments primarily for R&D programs and advertising and marketing activities. There were also activities to optimize and increase sales in all four channels: mail-order sales, store sales, direct sales and overseas operations.

In Japan and other countries, e-commerce and other mail-order sales remained strong and sales at stores recovered, mainly at large home appliance stores. As a result, sales were higher than one year earlier.

First quarter earnings were much higher as a percentage of the fiscal year forecast (announced on June 11, 2021) than planned in part because some advertising and marketing expenditures budgeted for the first quarter were pushed back to later in the fiscal year.

Fiscal years	1Q FY4/20 (May 1, 2019 – July 31, 2019)	1Q FY4/21 (May 1, 2020 – July 31, 2020)	1Q FY4/22 (May 1, 2021 – July 31, 2021)	Reference FY4/21 (May 1, 2020 – April 30, 2021)
Net sales (Thousands of yen)	5,450,607	8,754,669	10,639,958	36,631,026
Operating profit (Thousands of yen)	750,924	1,666,370	2,929,018	6,116,800
Operating margin (%)	13.8	19.0	27.5	16.7
Ordinary profit (Thousands of yen)	649,602	1,591,403	2,955,572	6,104,957
Profit attributable to owners of parent (Thousands of yen)	365,501	961,858	2,021,854	3,727,926
Net income per share (Yen)	6.53	17.48	36.75	67.75

Sales by Segment

Mail-order sales remained firm, particularly in terrestrial TV shopping channels.

As in the same period of the previous fiscal year, store sales to overseas customers, primarily at duty-free stores, were extremely low but sales recovered as sales to domestic customers increased, mainly at large home appliance stores.

Direct sales were slightly below one year earlier, although EC sales on the YA-MAN direct sales website, internet malls and other channels remained strong. Earnings were higher because more efficient advertising activities.

Overseas sales increased because of the continued strength of EC sales in China.

Fiscal years	1Q FY4/20 (May 1, 2019 – July 31, 2019)	1Q FY4/21 (May 1, 2020 – July 31, 2020)	1Q FY4/22 (May 1, 2021 – July 31, 2021)	Reference FY4/21 (May 1, 2020 – April 30, 2021)
Mail-order sales (Thousands of yen)	1,297,364	1,495,516	1,608,175	4,948,139
Store sales (Thousands of yen)	1,931,080	1,451,274	2,466,786	7,605,477
Direct sales (Thousands of yen)	1,084,114	3,291,373	3,120,152	12,059,489
Overseas sales (Thousands of yen)	919,387	2,385,769	3,148,223	10,997,975
Other (Thousands of yen)	218,661	130,735	296,620	1,019,944
Total (Thousands of yen)	5,450,607	8,754,669	10,639,958	36,631,026

Operating Profit by Segment

Fiscal years	1Q FY4/20 <small>(May 1, 2019 – July 31, 2019)</small>	1Q FY4/21 <small>(May 1, 2020 – July 31, 2020)</small>	1Q FY4/22 <small>(May 1, 2021 – July 31, 2021)</small>	Reference FY4/21 <small>(May 1, 2020 – April 30, 2021)</small>
Mail-order sales (Thousands of yen)	513,471	629,329	743,480	1,997,879
Store sales (Thousands of yen)	643,772	401,945	966,116	2,003,063
Direct sales (Thousands of yen)	486,037	1,425,873	1,847,172	5,982,630
Overseas sales (Thousands of yen)	256,013	839,690	1,105,245	3,012,776
Other (Thousands of yen)	(43,552)	(58,773)	156,892	(31,843)
Adjustment (Thousands of yen)	(1,104,816)	(1,571,694)	(1,889,889)	(6,847,705)
Total (Thousands of yen)	750,924	1,666,370	2,929,018	6,116,800

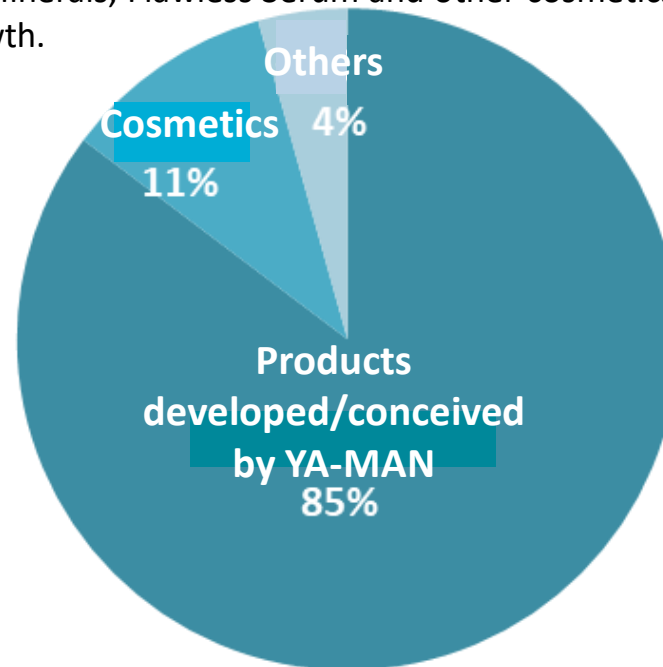
Note: Adjustment includes selling, general and administrative expenses, such as product development and administrative expenses, that are applicable to all segments.

Composition of Sales

In the first quarter of FY4/22, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 85% of sales. Cosmetics were 11% of sales and other purchased products were 4%.

Among products developed and manufactured by YA-MAN, radio frequency facial care devices, optical beauty devices, and a launched steamer, which are all YA-MAN TOKYO JAPAN branded products, posted strong sales. Sales of MYSE branded products also increased.

In the cosmetics category, Only Minerals, Flawless Serum and other cosmetics that can be used with facial care devices contributed to sales growth.



Balance Sheet Highlights

Inventories, trade receivables and trade payables also increased due to sales growth.

The big increase in inventories is the result of higher sales of products manufactured or conceived by YA-MAN and an increase in raw materials as YA-MAN raised inventories of electronic components due to the current global shortage of semiconductor chips.

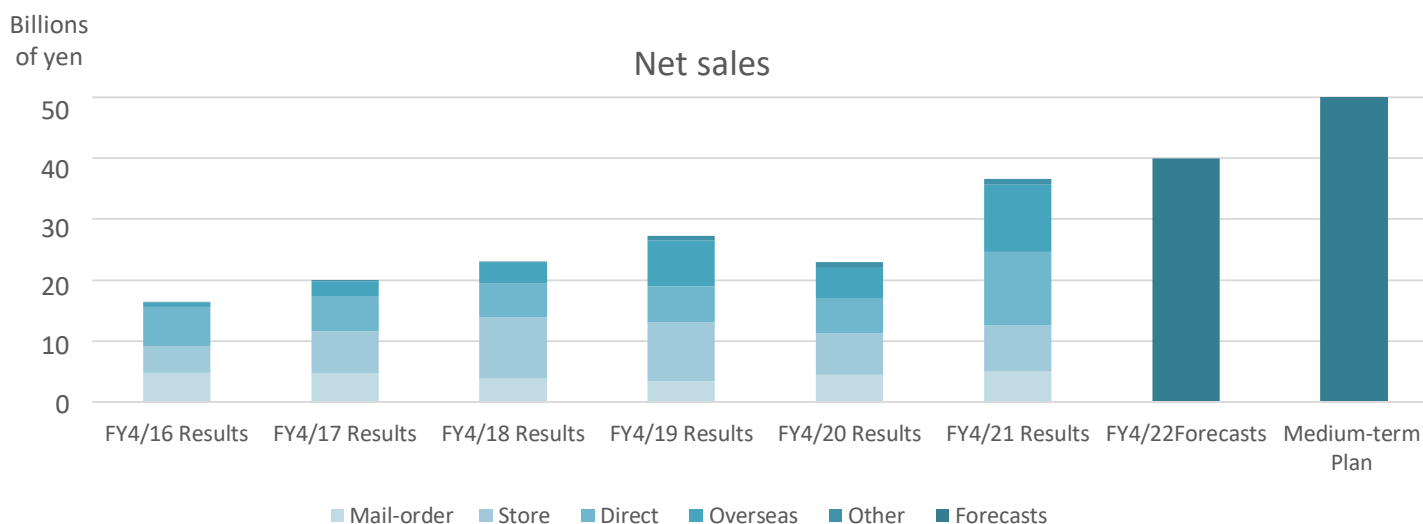
Fiscal years	1Q FY4/20 (July 31, 2019)	1Q FY4/21 (July 31, 2020)	1Q FY4/22 (July 31, 2021)	Reference FY4/21 (April 30, 2021)
Total assets (Thousands of yen)	16,762,057	22,955,778	27,151,276	25,855,511
Net assets (Thousands of yen)	13,082,018	14,221,786	18,569,005	16,893,058
Equity ratio (%)	78.0	62.0	68.4	65.3
Cash and deposits (Thousands of yen)	7,860,416	11,249,762	11,368,851	12,957,641
Trade receivables (Thousands of yen)	2,726,737	4,118,262	5,204,018	4,000,909
Inventories (Thousands of yen)	2,414,635	2,801,750	5,154,242	3,692,334
Trade payables (Thousands of yen)	1,224,342	3,175,538	3,248,082	2,600,220
Interest-bearing debt (Thousands of yen)	683,501	2,974,959	2,448,127	2,607,689

Upcoming Initiatives

In the current fiscal year, we plan to make substantial expenditures for R&D programs and advertising and marketing activities, which will be a basis for future sales growth, to strengthen the YA-MAN brand. The goal is to establish an even stronger infrastructure for business operations as one step toward achieving the medium-term management plan targets of net sales of 50 billion yen and an operating margin of at least 20%.

In the first quarter, earnings were higher than planned in part because some advertising and marketing expenditures budgeted for the first quarter were pushed back to later in the fiscal year.

During the remainder of this fiscal year, we are determined to achieve or surpass the fiscal year sales and earnings forecasts while making substantial investments for growth.



Earnings Forecasts

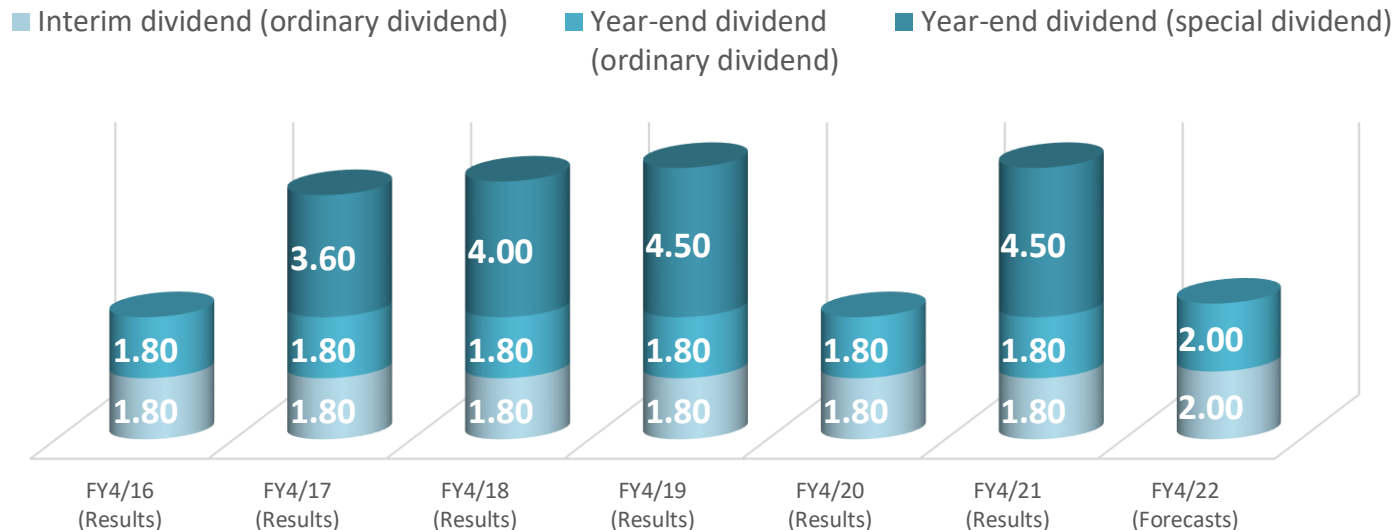
At this time, there are no revisions to the forecast announced on June 11, 2021. An announcement will be made promptly if a forecast revision is needed.

	First Half (May to October 2021)		Full Year (May 2021 to April 2022)	
	Amount	YoY change (%)	Amount	YoY change (%)
Net sales (Thousands of yen)	20,299,658	8.4	40,000,878	9.2
Operating profit (Thousands of yen)	3,024,998	(24.9)	6,400,860	4.6
Ordinary profit (Thousands of yen)	2,933,598	(25.7)	6,218,561	1.9
Profit attributable to owners of parent (Thousands of yen)	2,031,167	(13.7)	4,306,112	15.5
Net income per share (Yen)	36.92	-	78.26	-

Dividends

Distributing earnings to shareholders is a key priority of YA-MAN. Our policy is to pay a stable and consistent dividend every year and to determine the dividend by taking into consideration results of operations and all other applicable factors in each fiscal year.

For FY4/22, we plan to pay interim and year-end dividends of 2.00 yen, resulting in a fiscal year dividend of 4.00 yen per share. A final decision regarding the year-end dividend will be made at the end of the fiscal year in accordance with the above policy.



Note: Dividends per share are adjusted to reflect the stock split on November 1, 2017.

- Forecasts regarding future performance in these materials are based on certain assumptions judged to be valid and information currently available to YA-MAN. Actual performance may differ significantly from these forecasts for a number of reasons.
- These materials were prepared for the purpose of providing information. This is not a solicitation to purchase securities issued by YA-MAN.
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