

Results of Operations for the
First Half of FY4/19
(Six months ended October 31, 2018)

YA-MAN LTD.

Our Vision for YA-MAN of the Future	1
Income Statement Highlights	5
Sales by Segment	6
Operating Profit by Segment	7
Composition of Sales	8
Balance Sheet Highlights	9
Upcoming Initiatives	10
Earnings Forecasts	11
Dividends	12

Our Vision for YA-MAN of the Future
(Slogan)

A new beautiful.

(Mission Statement)

Exceptional manufacturing that transforms beauty into reality

is achieved through inexhaustible ideas and outstanding product development.

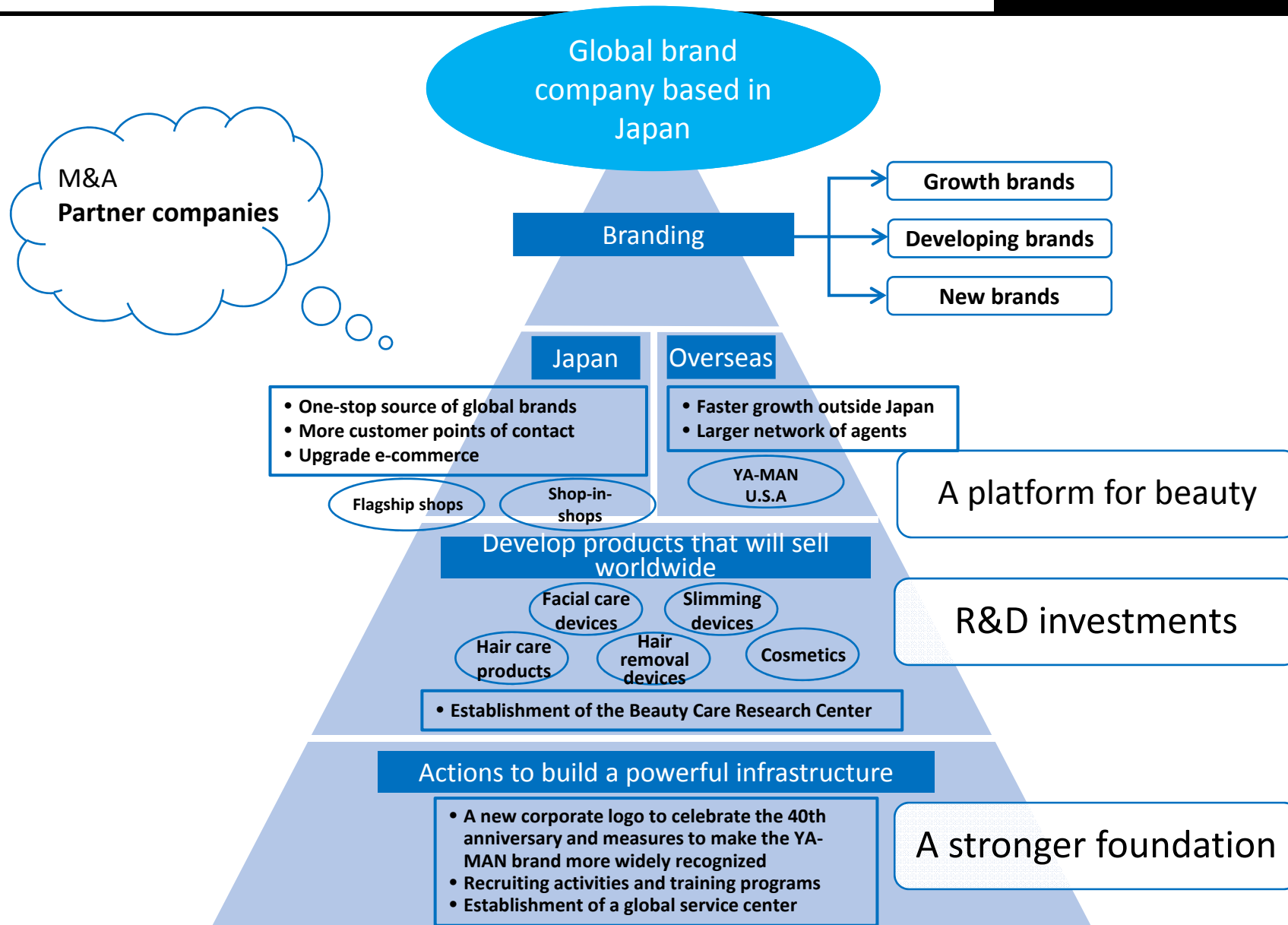
We will continue to renew our definition of “beautiful” to help attain perfect beauty

and bring delight and inspiration to the world.

(Credo)

The YA-MAN Code of Conduct

- Transform goals into accomplishments
 - Aim for originality
 - Create your own opportunities
 - Always put customers first
- Work as a team for innovation and progress



Income Statement Highlights

Sales were higher than expected, mainly for the overseas operations and store sales segments. In addition, first half performance was supported by the gradual emergence of the benefits of investments in prior years.

Fiscal years	1H FY4/17 <small>(May 1, 2016 – October 31, 2016)</small>	1H FY4/18 <small>(May 1, 2017 – October 31, 2017)</small>	1H FY4/19 <small>(May 1, 2018 – October 31, 2018)</small>	Reference FY4/18 <small>(May 1, 2017 – April 30, 2018)</small>
Net sales (Thousands of yen)	10,731,718	12,158,570	15,241,530	23,030,230
Operating profit (Thousands of yen)	2,313,338	3,312,045	4,233,342	5,385,662
Operating margin (%)	21.6	27.2	27.8	23.4
Ordinary profit (Thousands of yen)	2,319,679	3,315,163	4,266,593	5,345,643
Profit attributable to owners of parent (Thousands of yen)	1,500,296	2,117,114	2,626,652	3,399,819
Net income per share (Yen)	26.31	37.12	46.16	59.62

Note: YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Net income per share is calculated as if this stock split had taken place at the beginning of FY4/17.

Sales by Segment

There was a big increase in overseas sales and store sales remained strong.

Direct sales decreased but earnings were higher because advertising expenditures placed priority on activities with the greatest benefits in relation to the expenses.

Mail-order sales remained sluggish but we plan to raise sales by reexamining sales methods, the merchandise lineup and other aspects of operations in this business.

We aim for more growth in all four of our sales channels. In addition, we will adjust the sales composition to achieve the best possible composition for these sales channels in response to changes in market conditions.

Fiscal years	1H FY4/17 <small>(May 1, 2016 – October 31, 2016)</small>	1H FY4/18 <small>(May 1, 2017 – October 31, 2017)</small>	1H FY4/19 <small>(May 1, 2018 – October 31, 2018)</small>	Reference FY4/18 <small>(May 1, 2017 – April 30, 2018)</small>
Mail-order sales (Thousands of yen)	2,774,047	2,338,618	1,944,749	3,816,292
Store sales (Thousands of yen)	3,126,106	5,210,326	5,826,087	10,058,901
Direct sales (Thousands of yen)	3,429,839	2,972,751	2,587,531	5,572,722
Overseas sales (Thousands of yen)	1,338,342	1,617,262	4,688,729	3,510,910
Other (Thousands of yen)	63,382	19,610	194,432	71,405
Total (Thousands of yen)	10,731,718	12,158,570	15,241,530	23,030,230

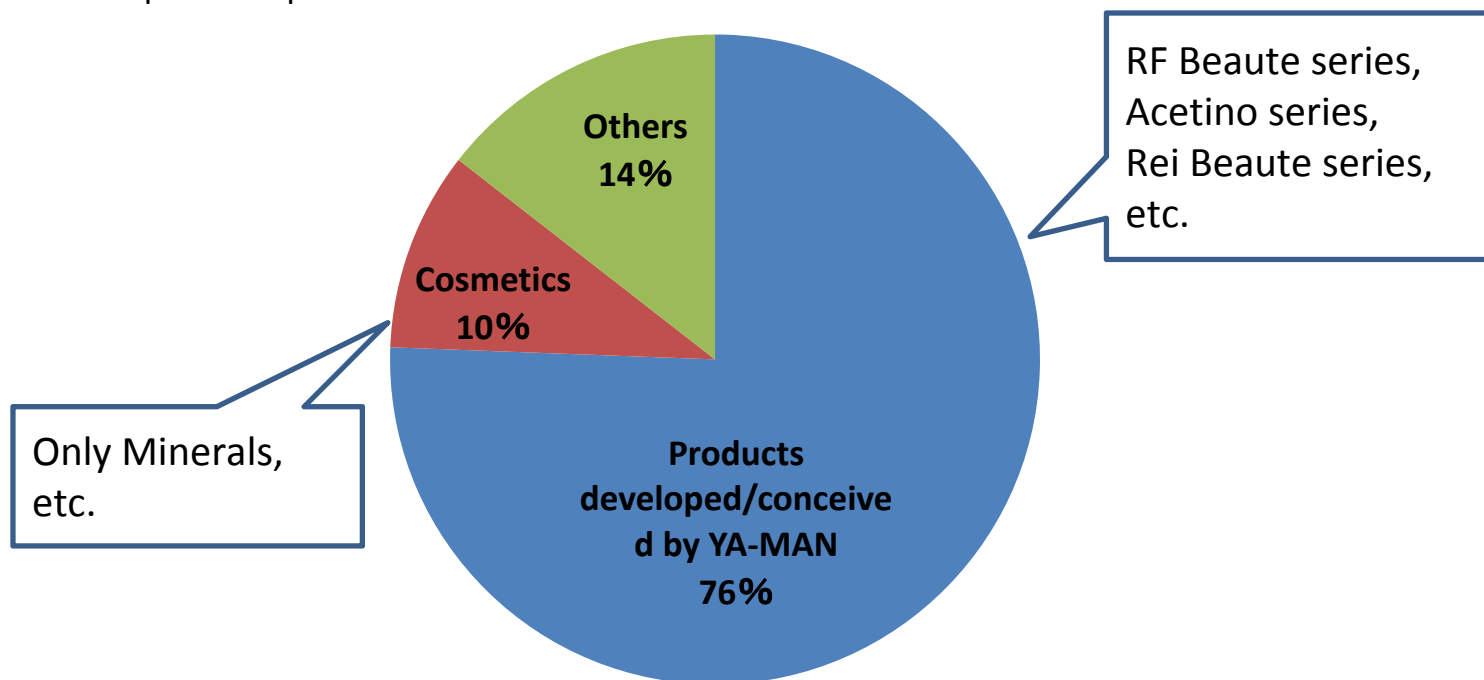
Operating Profit by Segment

Fiscal years	1H FY4/17 (May 1, 2016 – October 31, 2016)	1H FY4/18 (May 1, 2017 – October 31, 2017)	1H FY4/19 (May 1, 2018 – October 31, 2018)	Reference FY4/18 (May 1, 2017 – April 30, 2018)
Mail-order sales (Thousands of yen)	1,230,515	979,853	862,161	1,514,283
Store sales (Thousands of yen)	1,401,162	2,332,020	2,697,426	4,460,629
Direct sales (Thousands of yen)	808,144	1,078,486	1,156,161	2,068,770
Overseas sales (Thousands of yen)	425,247	635,123	2,311,018	1,354,709
Other (Thousands of yen)	23,463	7,508	(3,585)	16,272
Adjustment (Thousands of yen)	(1,575,194)	(1,720,947)	(2,789,840)	(4,029,002)
Total (Thousands of yen)	2,313,338	3,312,045	4,233,342	5,385,662

Composition of Sales

In the first half of FY4/19, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 76% of sales. Cosmetics were 10% of sales and other purchased products were 14%.

Sales of the RF Beaute series of beauty care products developed by YA-MAN that use radio-frequency waves were major component of sales growth. A wearable facial massager MediLift, a beauty roller Wavy and other new products performed well.



Balance Sheet Highlights

Notes and accounts receivable-trade, inventories, and notes and accounts payable-trade increased due to sales growth.

We plan to continue using cash and deposits for a variety of investments, such as for reinforcing the YA-MAN brand and other advertising activities.

Fiscal years	1H FY4/17 <small>(October 31, 2016)</small>	1H FY4/18 <small>(October 31, 2017)</small>	1H FY4/19 <small>(October 31, 2018)</small>	Reference FY4/18 <small>(April 30, 2018)</small>
Total assets (Thousands of yen)	13,084,547	15,466,939	19,421,125	16,524,115
Net assets (Thousands of yen)	8,212,345	10,697,854	13,299,165	11,877,492
Equity ratio (%)	62.8	69.2	68.5	71.9
Cash and deposits (Thousands of yen)	7,576,028	9,156,898	9,890,117	10,168,850
Notes and accounts receivable-trade (Thousands of yen)	1,879,837	2,533,973	3,148,398	2,580,729
Inventories (Thousands of yen)	1,816,727	1,717,138	2,236,601	1,408,659
Notes and accounts payable-trade (Thousands of yen)	1,275,327	1,289,886	2,383,335	1,124,343
Interest-bearing debt (Thousands of yen)	1,344,229	862,183	793,563	632,365

Upcoming Initiatives

There were many activities during the fiscal year's first half to raise public awareness of the YA-MAN brand. We aired our first corporate branding TV commercials, placed a large volume of advertisements in airports and subways, and used other channels to make YA-MAN more widely known.

In the fiscal year's second half, we will continue to make substantial investments from a long-term perspective centered on advertising and marketing to reinforce the YA-MAN brand. Strengthening R&D programs and recruiting skilled people are also major goals of these investments. Our objective is to earn a reputation as “a global brand company based in Japan.”

Earnings Forecasts

There are no revisions to the forecast announced on November 19, 2018. An announcement will be made promptly if a forecast revision is needed.

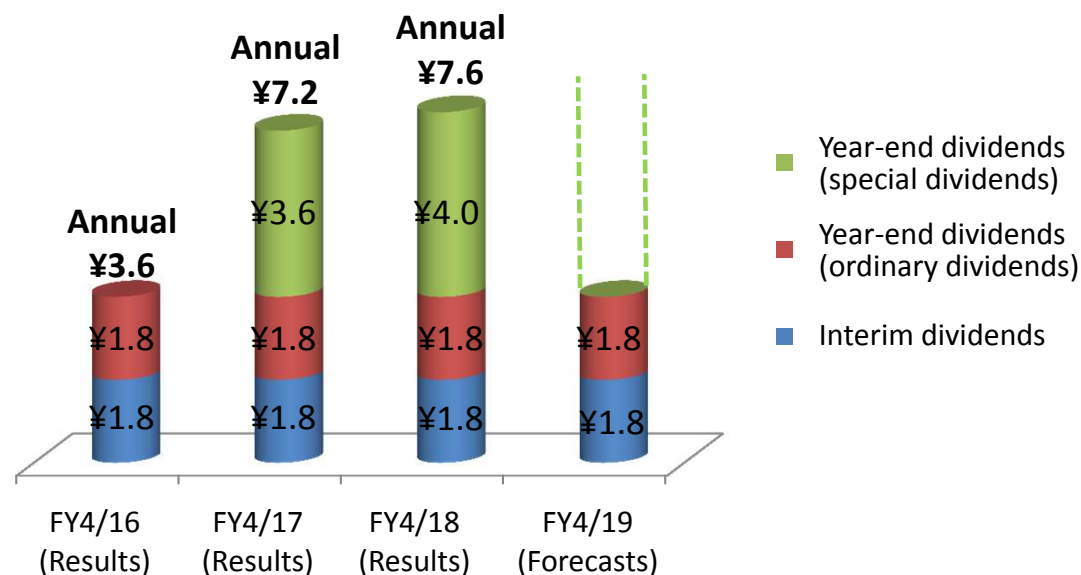
	First half		Full year	
	Amount	YoY change (%)	Amount	YoY change (%)
Net sales (Thousands of yen)	15,241,530	25.4	28,093,654	22.0
Operating profit (Thousands of yen)	4,233,342	27.8	6,444,848	19.7
Ordinary profit (Thousands of yen)	4,266,593	28.7	6,470,448	21.0
Profit attributable to owners of parent (Thousands of yen)	2,626,652	24.1	4,014,714	18.1
Net income per share (Yen)	46.16	-	70.79	-

Dividends

We regard distributing earnings to shareholders as a key priority of YA-MAN.

Dividends are implemented on the principles of stability and sustainability in each fiscal year, and we will determine the final figures by comprehensively considering performance during the fiscal year.

Note: YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Dividends per share on the right are adjusted to reflect this stock split.



On December 13, 2018, the YA-MAN Board of Directors approved a resolution to pay an interim dividend for the fiscal year ending April 30, 2019.

* Record date	October 31, 2018
* Scheduled date of payment	January 8, 2019
* Dividend per share	1.80 yen
* Total dividends	101,743,000 yen

- 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.
- Individuals are responsible for how information in these materials is used. YA-MAN assumes no responsibility whatsoever for any losses resulting from errors or other problems involving this information, revisions to numerical goals, or any other issue concerning the use of these materials.