

Results of Operations for the  
Third Quarter of FY4/21  
(Nine months ended January 31, 2021)

YA-MAN LTD.

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## Corporate Slogan

# A new beautiful.

The power to radiate beauty lies in every person.

We wish to help awaken that power, and create a more beautiful tomorrow.

Our history of developing professional beauty equipment began in 1978.

Since then, we have applied our technology to recreate the authentic salon experience at home, with exceptional quality that has been recognized both within Japan and worldwide.

As leading professionals of beauty, we will continue to harness revolutionary ideas and latest technologies to offer delight and inspiration for becoming even more 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.

# Income Statement Highlights

Sales of the YA-MAN Group have increased significantly, mainly in the direct sales and overseas operations segments, because people have shifted their purchases from physical stores to other channels, primarily e-commerce, due to the COVID-19 crisis.

Results of operations were much stronger than one year earlier, resulting in record-high sales and earnings for the first nine months of the fiscal year. This performance reflects the ability to meet customers' needs by selling a large variety of products. Another reason is the diversification of risk exposure resulting from many years of activities to establish numerous sales channels.

Fiscal years	3Q FY4/19 (May 1, 2018 – January 31, 2019)	3Q FY4/20 (May 1, 2019 – January 31, 2020)	3Q FY4/21 (May 1, 2020 – January 31, 2021)	Reference FY4/20 (May 1, 2019 – April 30, 2020)
Net sales (Thousands of yen)	21,213,699	17,285,754	<b>28,507,148</b>	22,975,758
Operating profit (Thousands of yen)	5,013,704	2,291,222	<b>5,443,532</b>	2,504,326
Operating margin (%)	23.6	13.3	<b>19.1</b>	10.9
Ordinary profit (Thousands of yen)	4,957,154	2,208,669	<b>5,279,163</b>	2,310,752
Profit attributable to owners of parent (Thousands of yen)	3,011,296	1,212,217	<b>3,101,301</b>	1,322,586
Net income per share (Yen)	53.13	21.67	<b>56.37</b>	23.66

## Sales by Segment

YA-MAN is aiming for sales growth in all four channels: mail-order sales, store sales, direct sales and overseas operations. In addition, the basic policy is to maintain the most suitable composition of sales in order to reflect changes in market conditions.

Store sales and earnings decreased as sales to customers in Japan were firm but a downturn in sales to foreigners, mainly at duty-free stores, had a severe negative impact on store sales. There were big increases in sales and earnings in the direct sales and overseas operations segments because of higher e-commerce sales linked to people staying home for safety during the COVID-19 crisis. Sales and earnings were higher in the mail-order sales segment too as sales via terrestrial TV shopping channels increased significantly.

Fiscal years	3Q FY4/19 <small>(May 1, 2018 – January 31, 2019)</small>	3Q FY4/20 <small>(May 1, 2019 – January 31, 2020)</small>	3Q FY4/21 <small>(May 1, 2020 – January 31, 2021)</small>	Reference FY4/20 <small>(May 1, 2019 – April 30, 2020)</small>
Mail-order sales (Thousands of yen)	2,632,771	3,299,288	<b>3,842,940</b>	4,418,156
Store sales (Thousands of yen)	7,653,056	5,871,757	<b>5,653,557</b>	6,827,885
Direct sales (Thousands of yen)	4,197,197	3,927,764	<b>9,532,119</b>	5,844,244
Overseas operations (Thousands of yen)	6,213,687	3,379,385	<b>8,534,064</b>	4,903,788
Other (Thousands of yen)	516,987	807,559	<b>944,467</b>	981,682
Total (Thousands of yen)	21,213,699	17,285,754	<b>28,507,148</b>	22,975,758

# Operating Profit by Segment

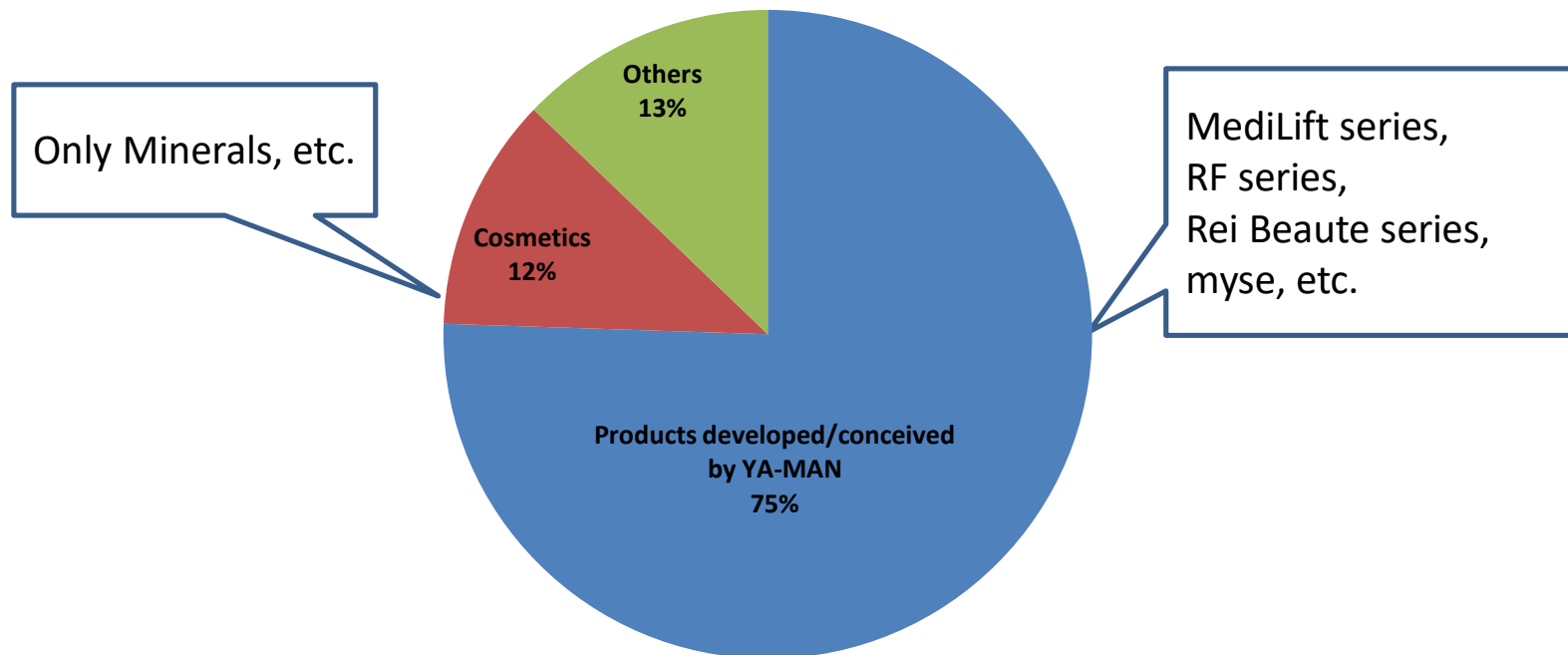
Fiscal years	3Q FY4/19 <small>(May 1, 2018 – January 31, 2019)</small>	3Q FY4/20 <small>(May 1, 2019 – January 31, 2020)</small>	3Q FY4/21 <small>(May 1, 2020 – January 31, 2021)</small>	Reference FY4/20 <small>(May 1, 2019 – April 30, 2020)</small>
Mail-order sales (Thousands of yen)	1,129,833	1,298,545	<b>1,606,538</b>	1,678,352
Store sales (Thousands of yen)	3,139,710	1,985,416	<b>1,635,400</b>	2,045,803
Direct sales (Thousands of yen)	2,011,131	1,508,824	<b>4,565,949</b>	2,131,251
Overseas operations (Thousands of yen)	2,920,638	1,031,805	<b>2,583,295</b>	1,631,437
Other (Thousands of yen)	(878)	(80,305)	<b>32,499</b>	(141,994)
Adjustment (Thousands of yen)	(4,186,730)	(3,453,065)	<b>(4,980,150)</b>	(4,840,524)
Total (Thousands of yen)	5,013,704	2,291,222	<b>5,443,532</b>	2,504,326

# Composition of Sales

In the first nine months of FY4/21, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 75% of sales. Cosmetics were 12% of sales and other purchased products were 13%.

Sales of the RF series (radio frequency facial care devices) remained stable and there was significant growth in sales of the Rei Beaute series of optical beauty devices.

The MediLift series of wearable beauty devices and Only Minerals and other cosmetics performed well.





## Balance Sheet Highlights

YA-MAN borrowed 2.5 billion yen from banks in May 2020 in order to increase working capital. This better prepares the YA-MAN Group for any unexpected events and other challenges associated with the prolonged effects of the COVID-19 pandemic. As a result, cash and deposits and interest-bearing debt increased.

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

Fiscal years	3Q FY4/19 (January 31, 2019)	3Q FY4/20 (January 31, 2020)	3Q FY4/21 (January 31, 2021)	Reference FY4/20 (April 30, 2020)
Total assets (Thousands of yen)	17,013,947	17,459,469	<b>24,724,687</b>	17,292,977
Net assets (Thousands of yen)	12,548,635	13,827,982	<b>16,264,913</b>	13,361,715
Equity ratio (%)	73.8	79.2	<b>65.8</b>	77.3
Cash and deposits (Thousands of yen)	8,314,907	8,406,650	<b>10,838,506</b>	7,632,507
Trade receivables (Thousands of yen)	2,213,128	3,134,982	<b>5,156,331</b>	3,022,126
Inventories (Thousands of yen)	2,727,435	2,425,591	<b>3,807,881</b>	2,034,177
Trade payables (Thousands of yen)	1,542,066	1,439,729	<b>2,693,765</b>	1,622,527
Interest-bearing debt (Thousands of yen)	715,548	594,079	<b>2,617,249</b>	534,409

## Upcoming Initiatives

Sales in the first nine months were far higher than one year earlier because YA-MAN benefited from a dramatic shift in the behavior of consumers caused by the COVID-19 crisis. However, the outlook is still uncertain because changes are still taking place in the business climate.

We have a strong commitment to achieving the medium-term management plan goals of sales of 50 billion yen and an operating margin of 20%. We will continue to place priority on R&D for creating products that surprise customers and surpass expectations. We are also making substantial advertising expenditures for individual products as well as our brands. At the same time, we are working on the growth and optimization of every sales channels of the mail-order sales, store sales, direct sales and overseas operations segments.

## Earnings Forecasts

There are no revisions to the forecast announced on November 17, 2020.  
An announcement will be made promptly if a forecast revision is needed.

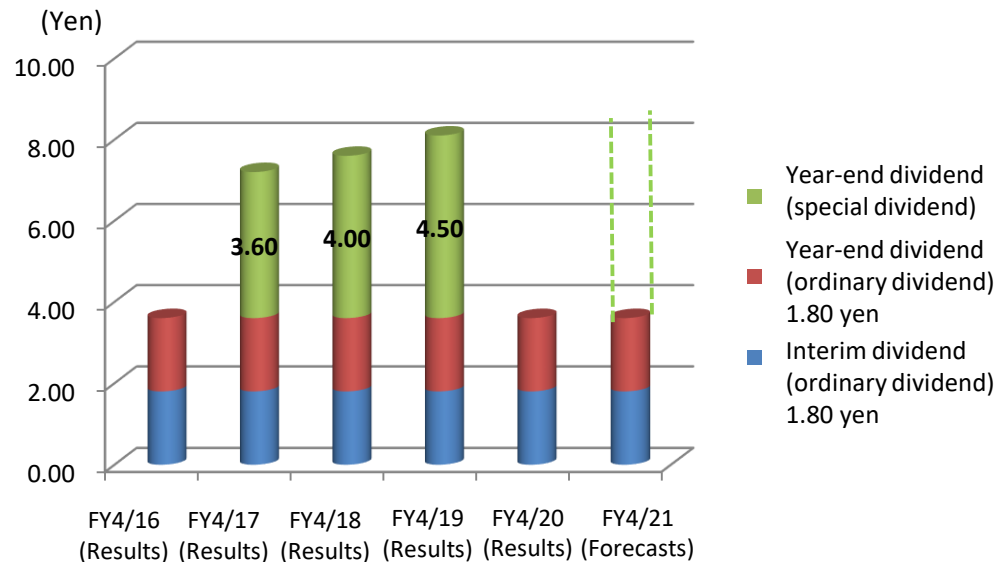
	Full Year	
	Amount	YoY change (%)
Net sales (Millions of yen)	35,000	52.3
Operating profit (Millions of yen)	5,800	131.6
Ordinary profit (Millions of yen)	5,631	143.7
Profit attributable to owners of parent (Millions of yen)	3,420	158.6
Net income per share (Yen)	62.17	-

### 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. We plan to use this policy to determine the FY4/21 year-end dividend.

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.



## Shareholder Benefits

As in the previous fiscal year, shareholders will receive a discount coupon that is valid on the YA-MAN Online Store. The amount of the discount will depend on the number of shares held and the holding period.

In response to requests from shareholders, the holding period categories have been revised to include categories for one year to less than two years and five years or more.

Number of shares held	Holding period			
	Less than 1 year	1 year to less than 2 years	2 years to less than 5 years	5 years or more
100 shares to less than 500 shares	5,000 yen	7,000 yen	10,000 yen	13,000 yen
500 shares or more	14,000 yen	17,000 yen	20,000 yen	23,000 yen

- Notes: 1. Shareholders receive one coupon with the applicable amount shown in the above table.  
2. Precautions concerning the use of these coupons are on the following page.

- The holding period is the time of continuous ownership from the registration of the purchase of the shares in the shareholder register to the record date for receiving a discount coupon. For example, for eligibility in a category requiring ownership of at least one year, as of the record date of April 30, 2021, a shareholder must own shares that were registered under the same shareholder number on at least the most recent three consecutive interim/year-end record dates (October 31 and April 30).
- A shareholder number may change if a shareholder changes the account with YA-MAN stock to a different securities company, uses a stock lending service or takes some other action.
- Only one coupon and the entire amount of the coupon can be used for only one purchase. Any unused portion of the discount will not be refunded or carried forward.
- Shareholders will receive discount coupons with the notice of the results of the Annual General Meeting of Shareholders or other documents concerning the end of the fiscal year after the Annual General Meeting of Shareholders. Coupons that are overlooked or mistakenly discarded will not be reissued. Please confirm the enclosure when you receive a postal matter from YA-MAN.
- Coupons will be sent to the address listed in the shareholder register as of April 30, 2021. If your address has changed, please promptly complete the procedure to register the new address.

- 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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