

Summary of Consolidated Financial Results for the Fiscal Year Ended April 30, 2020**[Japanese GAAP]**

Company name: YA-MAN LTD. Listing: TSE (1st section)
 Stock code: 6630 URL: <https://corporate.ya-man.com/>
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Scheduled date of Annual General Meeting of Shareholders: July 29, 2020
 Scheduled date of payment of dividend: July 30, 2020
 Scheduled date of filing of Annual Securities Report: July 29, 2020
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: None

*(All amounts are rounded down to the nearest million yen)***1. Consolidated Financial Results for the Fiscal Year Ended April 30, 2020 (May 1, 2019 – April 30, 2020)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Apr. 30, 2020	22,975	(15.7)	2,504	(56.1)	2,310	(59.6)	1,322	(62.6)
Fiscal year ended Apr. 30, 2019	27,252	18.3	5,705	5.9	5,715	6.9	3,539	4.1

Note: Comprehensive income (million yen) Fiscal year ended Apr. 30, 2020: 1,315 (down 62.7%)
 Fiscal year ended Apr. 30, 2019: 3,529 (up 3.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Apr. 30, 2020	23.66	-	10.0	13.1	10.9
Fiscal year ended Apr. 30, 2019	62.65	-	28.4	33.1	20.9

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Apr. 30, 2020: (8) Fiscal year ended Apr. 30, 2019: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Apr. 30, 2020	17,292	13,361	77.3	242.85
As of Apr. 30, 2019	17,959	13,072	72.8	233.67

Reference: Shareholders' equity (million yen) As of Apr. 30, 2020: 13,361 As of Apr. 30, 2019: 13,072

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Apr. 30, 2020	1,532	(184)	(1,530)	7,178
Fiscal year ended Apr. 30, 2019	1,862	(1,142)	(2,794)	7,488

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Apr. 30, 2019	-	1.80	-	6.30	8.10	454	12.9	3.7
Fiscal year ended Apr. 30, 2020	-	1.80	-	1.80	3.60	199	15.2	1.5
Fiscal year ending Apr. 30, 2021 (forecasts)	-	1.80	-	1.80	3.60		13.0	

Note: Breakdown of the year-end dividend for the fiscal year ended April 30, 2019: Ordinary dividend: 1.80 yen
 Special dividend: 4.50 yen

3. Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2021 (May 1, 2020 – April 30, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	13,678	18.8	1,732	0.7	1,636	0.1	1,038	9.0	18.87
Full year	26,000	13.2	2,600	3.9	2,407	4.2	1,526	15.4	27.74

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Apr. 30, 2020: 58,348,880 shares As of Apr. 30, 2019: 58,348,880 shares

2) Number of treasury shares at the end of the period

As of Apr. 30, 2020: 3,327,590 shares As of Apr. 30, 2019: 2,404,690 shares

3) Average number of shares outstanding during the period

Fiscal year ended Apr. 30, 2020: 55,889,586 shares Fiscal year ended Apr. 30, 2019: 56,495,609 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended April 30, 2020 (May 1, 2019 – April 30, 2020)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Apr. 30, 2020	21,897	(17.1)	2,889	(52.2)	2,752	(54.9)	1,700	(53.6)
Fiscal year ended Apr. 30, 2019	26,407	15.0	6,044	10.2	6,095	11.1	3,662	10.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Apr. 30, 2020	30.42	-
Fiscal year ended Apr. 30, 2019	64.82	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Apr. 30, 2020	17,255	13,841	80.2	251.56
As of Apr. 30, 2019	17,615	13,166	74.7	235.35

Reference: Shareholders' equity (million yen) As of Apr. 30, 2020: 13,841 As of Apr. 30, 2019: 13,166

*** The current financial report is not subject to audit by certified public accountants or auditing firms.**

*** Cautionary statement with respect to forward-looking statements and other special items**

Cautionary statement with respect to forecasts

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. For discussion of the assumptions for forecasts and notes of caution for usage in preparing the above projections, please refer to "Overview of Results of Operations" on page 1 of the attachments.

How to view supplementary materials for financial results

Supplementary materials for the financial results will be available on YA-MAN website on Friday, June 12, 2020.

Overview of Results of Operations

Results of Operations

The Japanese economy recovered at a moderate pace during the current fiscal year with the support of improvements in employment and personal income. However, late in the fiscal year, the COVID-19 pandemic triggered a rapid downturn in the economic environment. Economies worldwide have been severely impacted by this crisis and the outlook is becoming increasingly uncertain.

The YA-MAN Group is making substantial investments for future growth, particularly for R&D programs to create new products, advertising and marketing activities for establishing and strengthening brands, and measures to reinforce the corporate infrastructure. At the same time, we responded to the decline in sales with activities aimed at increasing sales in all channels.

In Japan, consistently firm domestic demand was not enough to offset the decline in demand from foreign tourists. In addition, temporary closings of physical stores because of COVID-19 had a significant negative effect on sales. As a result, consolidated net sales decreased 15.7% year-on-year to 22,975 million yen, operating profit decreased 56.1% year-on-year to 2,504 million yen, ordinary profit decreased 59.6% year-on-year to 2,310 million yen and profit attributable to owners of parent decreased 62.6% year-on-year to 1,322 million yen.

Business segment performance was as follows.

1) Mail-order sales

Sales in this segment represent sales to individuals by TV shopping channels, sales to catalog sales companies, and sales to companies that sell products exclusively on the Internet.

Both sales and earnings were higher than in previous fiscal year as sales via terrestrial TV shopping channels increased significantly and sales to catalog sales companies were steady. Segment sales increased 30.6% year-on-year to 4,418 million yen and segment profit increased 19.2% year-on-year to 1,678 million yen.

2) Store sales

Sales in this segment represent mainly sales of products at home appliance stores, department stores and variety shops.

Although sales to customers in Japan remained firm, sales to foreign tourists in Japan, chiefly at duty-free shops, were lower because of sluggish demand in this sector. Furthermore, temporary closings of physical stores due to COVID-19 had a severe negative impact on store sales. As a result, both sales and earnings were lower as sales decreased 29.2% year-on-year to 6,828 million yen and segment profit decreased 44.5% year-on-year to 2,045 million yen.

3) Direct sales

Sales in this segment are derived from sales of products to individuals by using infomercials, magazines, newspapers, the Internet and other channels.

We have tried to shift to Web-based sales because this channel makes it possible to reduce expenses. In this process, sales decreased temporarily. Therefore, we increased the share of advertising expenditures used for infomercials and paper media to increase sales. There were signs of a recovery in sales, but lower efficiency of advertising activities exerted downward pressure on earnings. As a result, sales decreased 1.2% year-on-year to 5,844 million yen, and segment profit decreased 22.2% year-on-year to 2,131 million yen.

4) Overseas operations

Sales in this segment represent mainly sales to mail-order companies, wholesale companies and individuals.

Sales in China increased but sales in Hong Kong and South Korea were far below the levels of the previous fiscal year. As a result, both sales and earnings were lower as sales decreased 34.8% year-on-year to 4,916 million yen and segment profit was down 51.3% year-on-year to 1,631 million yen.

Outlook

Temporary store closings, international travel restrictions and other effects of the COVID-19 pandemic are currently holding down the performance of the YA-MAN Group. In particular, sales in the store sales segment are down sharply, particularly at duty-free stores in Japan, coupled with stagnant inbound demand. This crisis is expected to impact performance significantly at least through the second quarter of the fiscal year ending on April 30, 2021. Afterward, demand will probably recover slowly. However, the downturn in the YA-MAN Group's performance may be longer if more time is required in order to end restrictions on economic activities.

Consumer spending associated with the need to stay at home has been consistently strong in Japan. Due to this spending, sales in the fourth quarter of the fiscal year ended April 30, 2020 were higher in both the mail-order sales and the direct sales segments.

In the overseas sales segment, sales have been slow throughout the fiscal year in South Korea and Hong Kong because of persistent instability. On the other hand, sales in China increased year on year as online sales in China have been very strong.

We believe the COVID-19 crisis will continue to impact consolidated sales and earnings for the time being. We will take steps to optimize every sales channel while continuing to strengthen advertising activities and customer services.

In the fiscal year ending on April 30, 2021, we forecast net sales of 26,000 million yen (up 13.2% year-on-year), operating profit of 2,600 million yen (up 3.9% year-on-year) with an operating margin of 10.0%, ordinary profit of 2,407 million yen (up 4.2% year-on-year) and profit attributable to owners of parent of 1,526 million yen (up 15.4% year-on-year).

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.