

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending April 30, 2021
(Six Months Ended October 31, 2020)

[Japanese GAAP]

Company name: YA-MAN LTD. Listing: TSE (1st section)
 Stock code: 6630 URL: <https://corporate.ya-man.com/>
 Representative: Kimiyo Yamazaki, President and Representative Director
 Contact: Masaya Miyazaki, Director, General Manager of Administration Division
 Tel: +81-(0) 3-5665-7330
 Scheduled date of filing of Quarterly Report: December 11, 2020
 Scheduled date of payment of dividend: January 5, 2021
 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 Six Months Ended October 31, 2020 (May 1, 2020 – October 31, 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	%
Six months ended Oct. 31, 2020	18,727	62.6	4,026	133.9	3,948	141.6	2,354	147.2
Six months ended Oct. 31, 2019	11,516	(24.4)	1,721	(59.3)	1,634	(61.7)	952	(63.7)

Note: Comprehensive income (million yen) Six months ended Oct. 31, 2020: 2,354 (up 148.0%)
 Six months ended Oct. 31, 2019: 949 (down 63.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Oct. 31, 2020	42.80	-
Six months ended Oct. 31, 2019	17.03	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Oct. 31, 2020	24,966	15,616	62.6
As of Apr. 30, 2020	17,292	13,361	77.3

Reference: Shareholders' equity (million yen) As of Oct. 31, 2020: 15,616 As of Apr. 30, 2020: 13,361

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Apr. 30, 2020	-	1.80	-	1.80	3.60
Fiscal year ending Apr. 30, 2021	-	1.80	-	-	-
Fiscal year ending Apr. 30, 2021 (forecasts)	-	-	-	1.80	3.60

Note: Revisions to the most recently announced dividend forecast: None

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
Full year	35,000	52.3	5,800	131.6	5,631	143.7	3,420	158.6	62.17

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

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

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

(3) 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

(4) Number of shares outstanding (common stock)

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

As of Oct. 31, 2020:	58,348,880 shares	As of Apr. 30, 2020:	58,348,880 shares
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2) Number of treasury shares at the end of the period

As of Oct. 31, 2020:	3,327,668 shares	As of Apr. 30, 2020:	3,327,590 shares
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3) Average number of shares outstanding during the period

Six months ended Oct. 31, 2020:	55,021,265 shares	Six months ended Oct. 31, 2019:	55,944,190 shares
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*** The current quarterly financial report is not subject to quarterly review 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.

How to view supplementary materials for financial results

Supplementary materials for the financial results will be available on YA-MAN website on Friday, December 11, 2020.

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half (May 1 to October 31, 2020) of the current fiscal year, the business climate remained extremely challenging as COVID-19 restricted a broad range of economic and social activities.

The outlook has become increasingly uncertain because the number of infections climbs worldwide.

In Japan, purchases by foreign tourists have declined because of global travel restrictions. In addition, the purchasing behavior of Japanese consumers has shifted. Sales at physical stores are down because of the state of emergency earlier in 2020 and requests for people to stay home. However, sales in the mail-order sales segment increased, primarily in the e-commerce sector, because of purchasing by people staying home for safety.

Sales of beauty care and health products are very strong because of the large amount of time people are spending at home. YA-MAN's sales were much higher than one year earlier, primarily in the direct sales and overseas operations segments. One reason is the ability to meet customers' needs by selling a large variety of products. Another contributor to growth is the diversification of risk exposure resulting from many years of activities to establish numerous sales channels. Measures that targeted demand associated with the economic benefits of government payments and subsidies involving the COVID-19 pandemic were another reason for the big increase in first half sales.

As a result, consolidated net sales increased 62.6% year-on-year to 18,727 million yen, ordinary profit increased 141.6% year-on-year to 3,948 million yen despite substantial investments for future growth, particularly for advertising and marketing activities and R&D programs. Profit attributable to owners of parent increased 147.2% year-on-year to 2,354 million yen, which includes an extraordinary loss of 485 million yen for the one-time amortization of goodwill.

We will continue to increase and optimize sales in all four channels of mail-order sales, store sales, direct sales and overseas operations in the third quarter and afterwards. Our policy is to use a larger volume of our resources to make investments for R&D programs and advertising and marketing activities.

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.

Sales to terrestrial TV shopping were very strong. Segment sales increased 11.4% year-on-year to 2,733 million yen and segment profit increased 19.3% year-on-year to 1,190 million yen, resulting in a year-on-year increase in both sales and earnings.

2) Store sales

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

Sales and earnings were lower in the first half because of the severe negative impact of the big downturn in foreigners visiting Japan due to global travel restrictions and of the temporary closures and shortened operating hours of stores. However, sales of the Rei Beaute series increased. As a result, sales decreased 14.0% year-on-year to 3,497 million yen and segment profit decreased 30.9% year-on-year to 1,017 million yen.

3) Direct sales

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

Web-based sales, mainly at our direct sales website, increased significantly due to spending by people staying home for safety and sales using infomercials also performed very well. As a result, there was a substantial increase in both sales and earnings as sales increased 194.7% year-on-year to 6,657 million yen, and segment

profit increased 223.1% year-on-year to 3,011 million yen.

Note: “Infomercial” is a combination of two words, “information” and “commercial.” Infomercials first appeared as a TV shopping medium in Europe and North America. An infomercial typically uses about 20 to 30 minutes to sell a single item. Combining these long promotions with spot advertisements of one or two minutes for the same item is regarded as a highly effective way to sell merchandise.

4) Overseas operations

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

As in Japan, e-commerce sales in China, which use sales channels such as T-mall and JD.com, were strong during the first half. As a result, both sales and earnings were much higher than one year earlier as sales increased 143.1% year-on-year to 5,491 million yen and segment profit increased 202.4% year-on-year to 2,078 million yen.

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.