



Company : YA-MAN LTD.

Stock code : 6630, TSE (1st section)

# Medium-Term Management Plan

## CONTENTS

Introduction	.....P.02 ~ 03
Part 1 : What is YA-MAN ? (Characteristics and Strengths)	.....P.05 ~ 12
Part 2 : Our Current Business Model	.....P.13 ~ 20
Part 3 : Our Future (Medium-Term Management Plan)	.....P.21 ~ 30



## Technology : Creating Demand for Beauty Products Through Fabless Production and Sales Channels

Company name	YA-MAN LTD.
Head office	Shingu Building, 2-4-2 Toyo, Koto-ku
Date of establishment	May 27, 1978
President and representative director	Kimiyo Yamazaki
Capitalization	1,813 million yen
Performance	Net Sales 22.9 billion yen   Operating Profit 2.5 billion yen(FY4/20)
Stock code and listed exchange	6630, Tokyo Stock Exchange 1st Section
Group companies	3 consolidated subsidiaries and 2 affiliated companies *As of November 2020
Number of employees	329 employees (consolidated) *Excluding temporary employees that are dispatched, etc. *As of April 2020
Main business activities	R&D for beauty/health devices, manufacturing, import/export sales and the import and sale of cosmetics

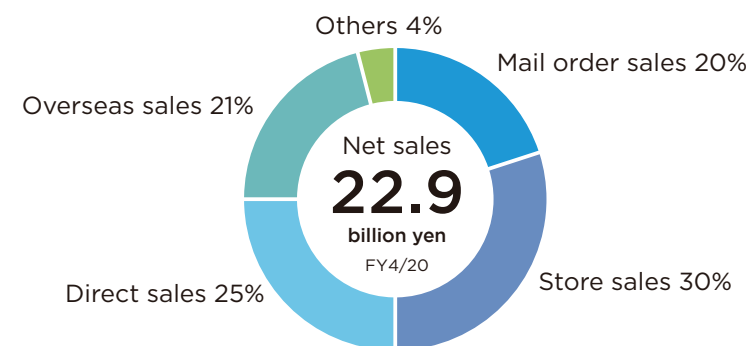
• The prospective statements in this material, such as the results of operations forecasts, are based on information currently available to YA-MAN and certain assumptions that we deem reasonable. The actual business results of YA-MAN may differ significantly for various reasons.  
 • This material is intended to provide information to the public and is not a material to solicit investment.  
 • YA-MAN shall not be liable for any damages resulting from the use of this material.

## History : Established in 1978, Listed on the First Section of the Tokyo Stock Exchange in 2012, Expanded Overseas in 2015

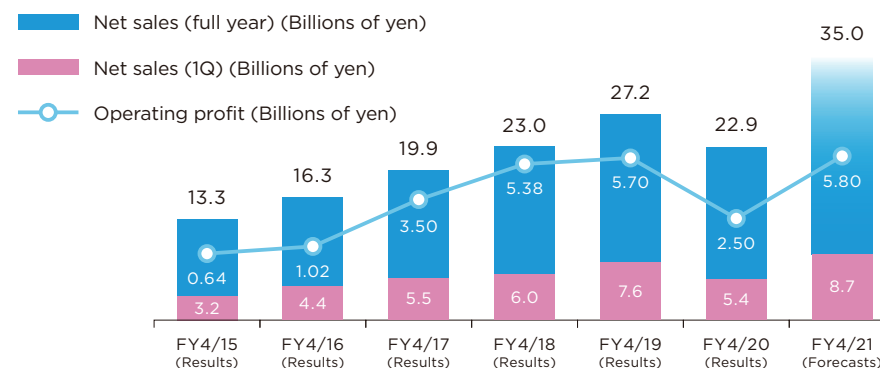
### History

- 1978: YA-MAN Limited. was established in Chuo-ku, Tokyo
- 1981: Company name changed to YA-MAN, Ltd.
- 1985: Development of body fat meter measuring body fat through the feet
- 1992: Development of a probe for measuring body impedance through the hands
- 1998: Shift from business use to household use/started direct wholesale transactions with mail-order distributors
- 2001: Started direct wholesale transactions with consumer electronics retailers
- 2007: Creation of Japan's first mineral foundation market
- 2009: Listed on the JASDAQ Securities Exchange
- 2011: Listed on the Second Section of the Tokyo Stock Exchange
- 2012: Listed on the First Section of the Tokyo Stock Exchange
- 2015: Established U.S. subsidiary YA-MAN U.S.A. LTD.
- 2015: Entry into mainland China
- 2018: D-FIT Co., Ltd. (Makanai cosmetics) becomes a subsidiary
- 2020: Established MACHERIE Beauty Technology Co., Ltd. as a Chinese joint venture and EFFECTIM Co., Ltd. as a joint venture

### Net Sales by Segment



### Performance



# Let's make a history

As a leading beauty device company that continues to innovate

## Part 1

# What is YA-MAN?

(Characteristics and Strengths)



## ■ Creating “Beauty Value” from the Customer Perspective

### Corporate Slogan

**A new beautiful.**

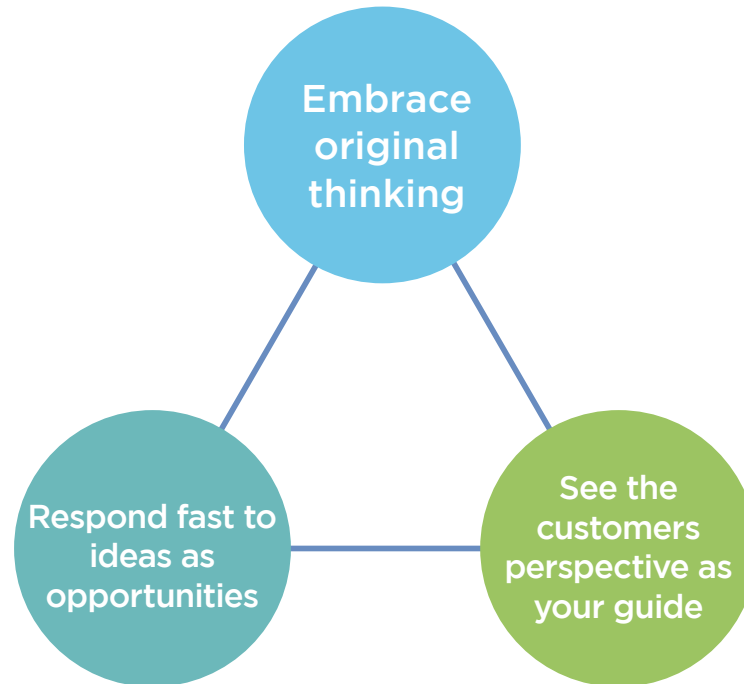
### Philosophy

**Renew a definition of “beautiful”**

### Credo

1. Recognize value to create meaning
2. Embrace original thinking
3. Respond fast to ideas as opportunities
4. See the customers perspective as your guide
5. Collaborate to bring out our best

## ■ Realization of our Credo Through our Products

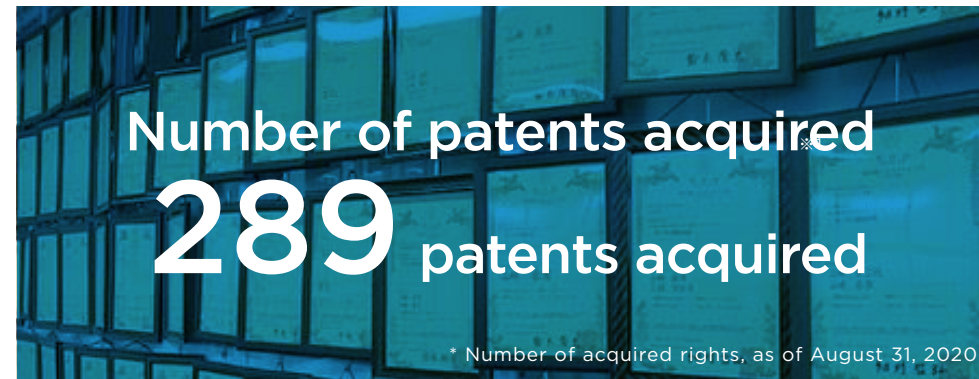


Recognize value to create meaning  
Collaborate to bring out our best

## Embrace Original Thinking ⇒ 289 Patents Acquired

**42** years of accumulating development technology through R&D and product development

- Our technology and expertise cultivated in industrial beauty devices
- Our applied technology for household consumer beauty products



1978: Established as an import wholesaler.

Import and wholesale of semiconductor inspection equipment

Import and sale of beauty and health devices for beauty salons

Integration

Beauty and health devices manufacturer

Acquiring patents for innovative technology development

1985: A body fat meter was developed. \*\*

\*\*Impedance system

Invest the necessary amount of R&D funds on a regular basis every fiscal year, rather than in a performance-based manner, to improve development capabilities

FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20
91 million yen	114 million yen	135 million yen	173 million yen	238 million yen	261 million yen

In addition to the above R&D expenses, YA-MAN has acquired patent rights (approximately 107 million yen in the last 6 years) for the development of next-generation products.



## ■ Respond Fast to Ideas as Opportunities ⇒ Recruitment of Diverse Human Resources, Evaluation and Promotion Based on Initiative and Ability, and Active Participation of Women and Foreign Nationals

For more than 40 years since its establishment, employees' voluntary actions and their achievements have been adopted as evaluation criteria, rather than seniority.

### Our female employees' success

Actively recruiting and promoting female employees

Percentage of female employees

74%\*

Percentage of women in managerial positions

55%\*

### Our foreign national employees success

Active hiring of foreign nationals

Percentage of foreign nationals to total number of employees

9%\*

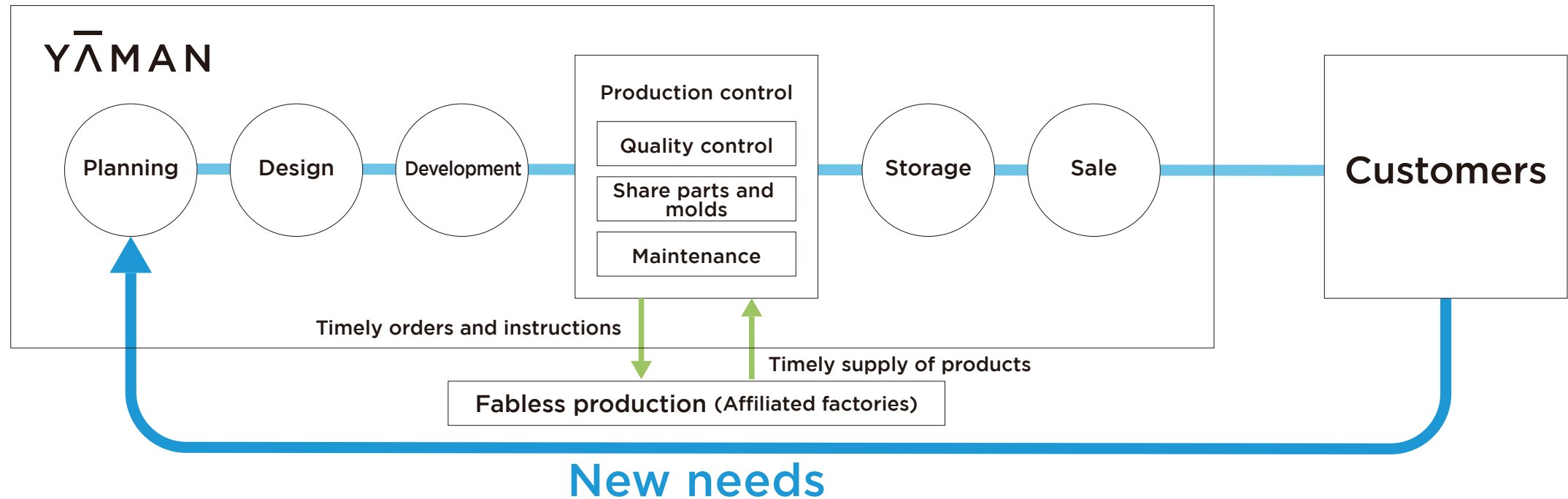
\*As of April 2020

## See the Customers Perspective as Your Guide ⇒ Rapidly Developing Products That Meet Diverse Needs and Putting Them on the Market

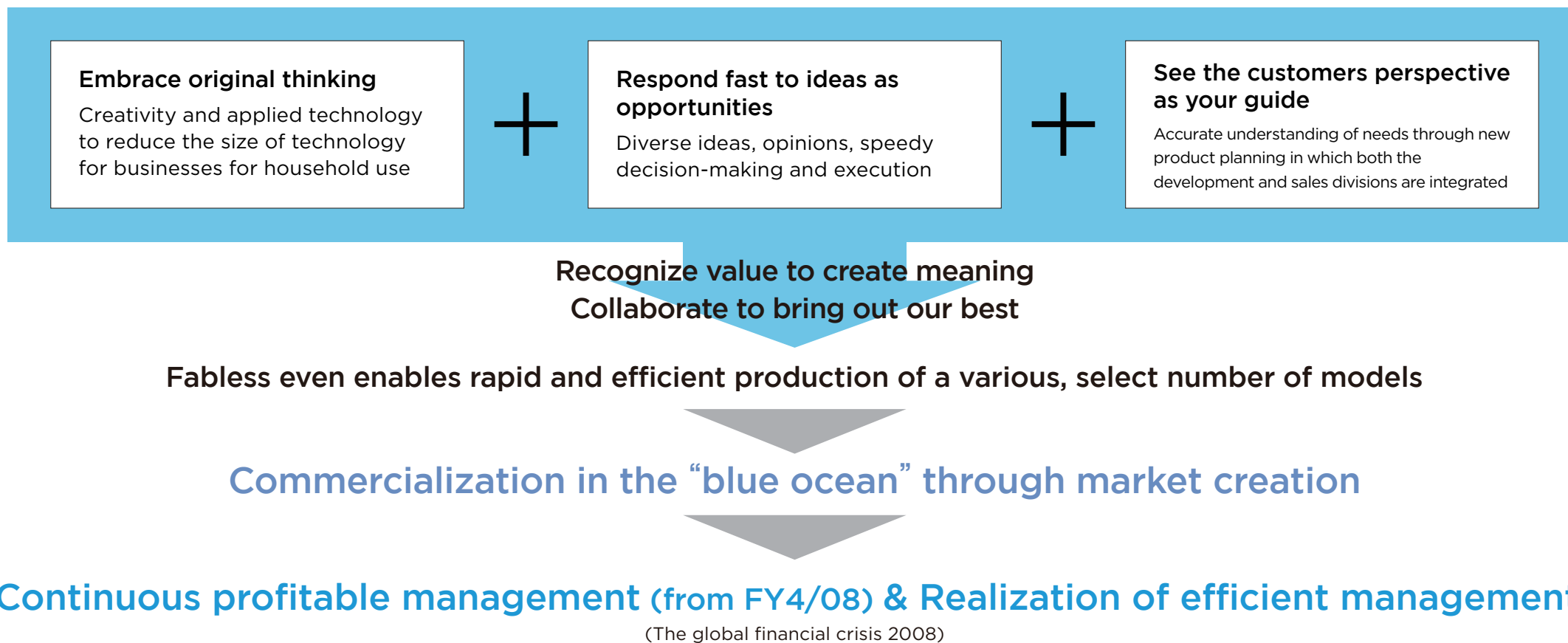
Approximately 20 items\* of in-house and planned products are introduced per year \*Includes changes in specifications for each series

Process of introducing a small quantity of multi-model products that meet customer needs

○ Our own Specialty store retailer of Private label Apparel (SPA)



## Collaborate to Bring out Our Best ⇒ Create New Values and Markets and Achieving Profitable Management Through Ownership and Teamwork



\* The following page describes changes in our return on equity (ROE) for reference.

## Reference : Changes and Status of ROE

**Achieving ROE above standard levels\***  
**with a highly profitable ROS\*\* and stable and efficient total asset turnover**

	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20	Average over the last 6 years
<b>ROE (%)</b>	<b>4.7</b>	<b>8.7</b>	<b>28.9</b>	<b>32.7</b>	<b>28.4</b>	<b>10.0</b>	<b>18.9</b>
ROS (%)	2.3	3.6	11.4	14.8	13.0	5.8	8.5
Total asset turnover	1.3	1.5	1.6	1.5	1.6	1.3	1.5
Financial leverage	1.5	1.6	1.6	1.5	1.4	1.3	1.5

\* One of the goals of Abenomics' corporate governance reform is 8%. The ROE of listed companies (excluding financial institutions and Japan Post Holdings) rose to 10.4% in FY 2017, but to 6.7% in FY 2019.  
Source/Reference: June 9, 2020 at 5:04a.m. updated, Nihon Keizai Shimbun Electronic Edition <https://r.nikkei.com/article/DGXMZO60120850Y0A600C2EA2000/>

\*\* ROS: Return on sales

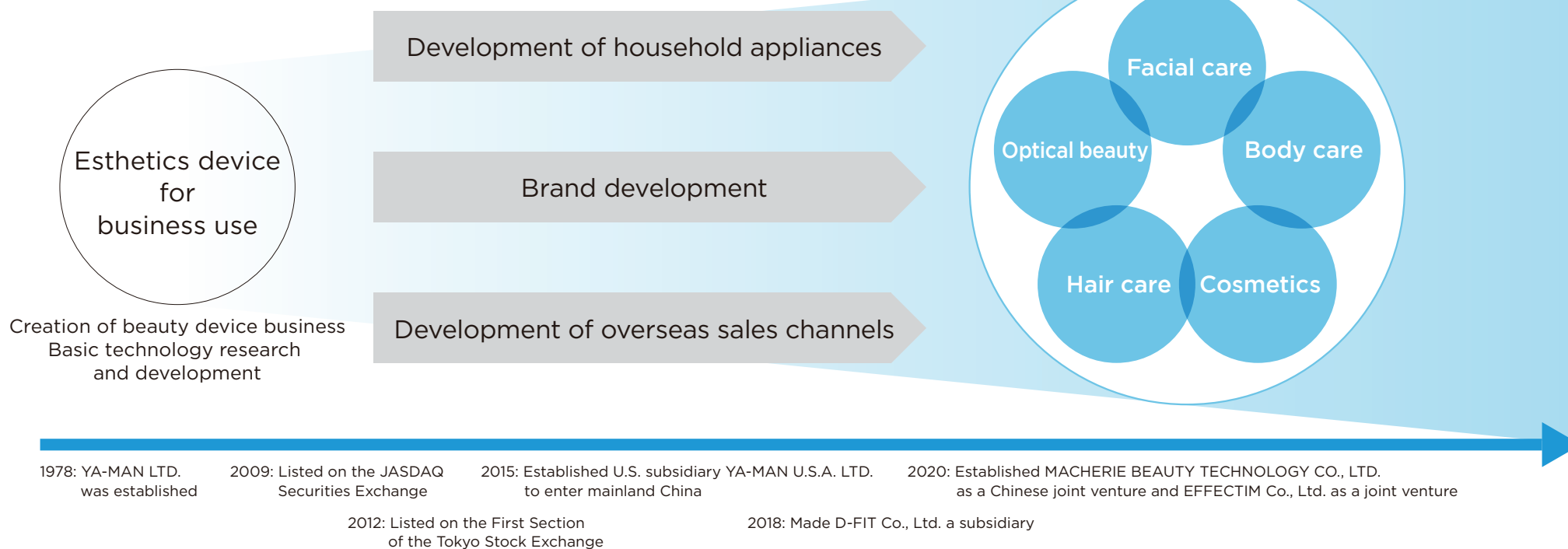
Part 2

# Our Current Business Model



## Our Current Position : Leading Beauty Products Company (Ready for Next Stage)

### Our trajectory



### Our present

Establishing a foundation for a beauty business  
Development / Production / Sales Channel System

## Our Efforts



Conversion of high-performance commercial products to household use products



Sales of beauty products and cosmetics with rich ideas and originality that cannot be created by other household appliance manufacturers or cosmetics manufacturers



For more than 40 years since establishment in 1978, we have been positioned as a manufacturer specializing in beauty and health devices



Japan : Establishment of direct sales, mail-order sales, and store sales  
Overseas : Expansion into East Asia, Southeast Asia, North America, etc.

## Product Appeal and Technical Capabilities

### Main Product (In-house products and cosmetics) and their launch date

\*Brand details are on page 18  
YTJ: YA-MAN TOKYO JAPAN OM: ONLY MINERALS

Series Product Name	Launch Date	Brand*	Category	Use of the product
RF Facial Care Device	October 2013	YTJ	In-house product	Facial care device
Rei Beauté	March 2014	YTJ	In-house product	Optical beauty device
Medi Lift	March 2018	YTJ	In-house product	Facial care device
mysé / Acetino	October 2019 / February 2011	mysé	In-house product	Beauty device
Cavispa	September 2014	YTJ	In-house product	Beauty device
ONLY MINERALS	May 2005	OM	Cosmetics	Cosmetics



RF Facial Care Device



Rei Beauté



Medi Lift



mysé / Acetino



Cavispa

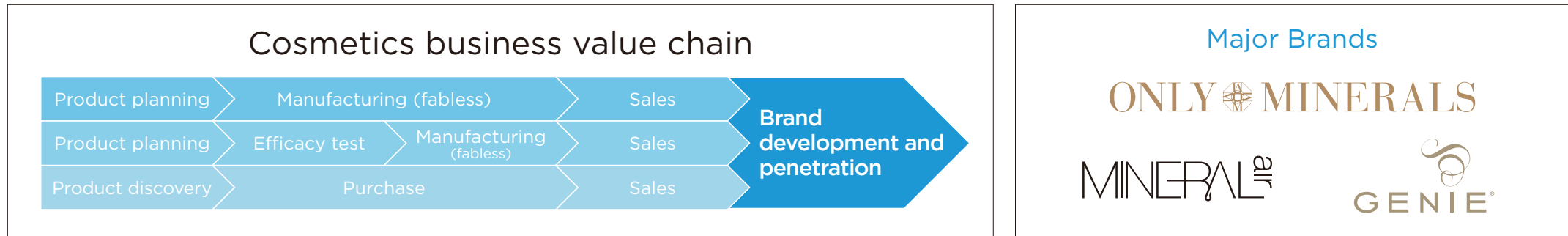


ONLY MINERALS



## ■ Creativity and Execution

### Applying management knowledge cultivated in the beauty products business



### 2-axis system of cosmetics and devices that set themselves apart from other manufacturers



\*As a part of the synergistic effect of beauty devices and cosmetics, cosmetics are developed under the brand "YA-MAN TOKYO JAPAN".  
 As a part of the integration of beauty devices technology and cosmetics, mist foundation is developed under the brand "MINERAL air".

## Brand Power

### Professional beauty devices

Professional devices and cosmetics for salons

PROFESSIONAL  
YAMAN

Awarded best item in both face and  
body item categories



### Household beauty devices

Originally developed household use brand

YAMAN  
TOKYO JAPAN  
mysé

Cumulative sales of RF Facial Care Device Series

Cumulative sales exceeded **2.5million** units\*

\*Cumulative shipments of RF Facial Care Device Series from October 2013 to August 2020

Facial care device market share

**No.1**\*\*

\*\*Fuji Keizai Co., Ltd. "Marketing Trend Data 2018 for Beauty Appliances and Cosmetics"  
Manufacturer Market Share in the 2016 Body Use Beauty Device Category

Body use beauty device category manufacturer share

**No.1** for **2** consecutive years\*\*\*

\*\*\*Fuji Keizai Co., Ltd. "Marketing Trend Data 2018 for Beauty Appliances and Cosmetics"  
Manufacturer Market Share in the 2016 Body Use Beauty Device Category

### Cosmetics

Make-up  
Skincare cosmetics brands

ONLY MINERALS

MINERAL

**9 consecutive years**

Most domestic sales

**No.1**\*\*\*\*

\*\*\*\* "Cosmetics Marketing Directory 2012 - 2020"  
2011-2019 results as foundation and loose power segment,  
according to Fuji Keizai Co., Ltd.

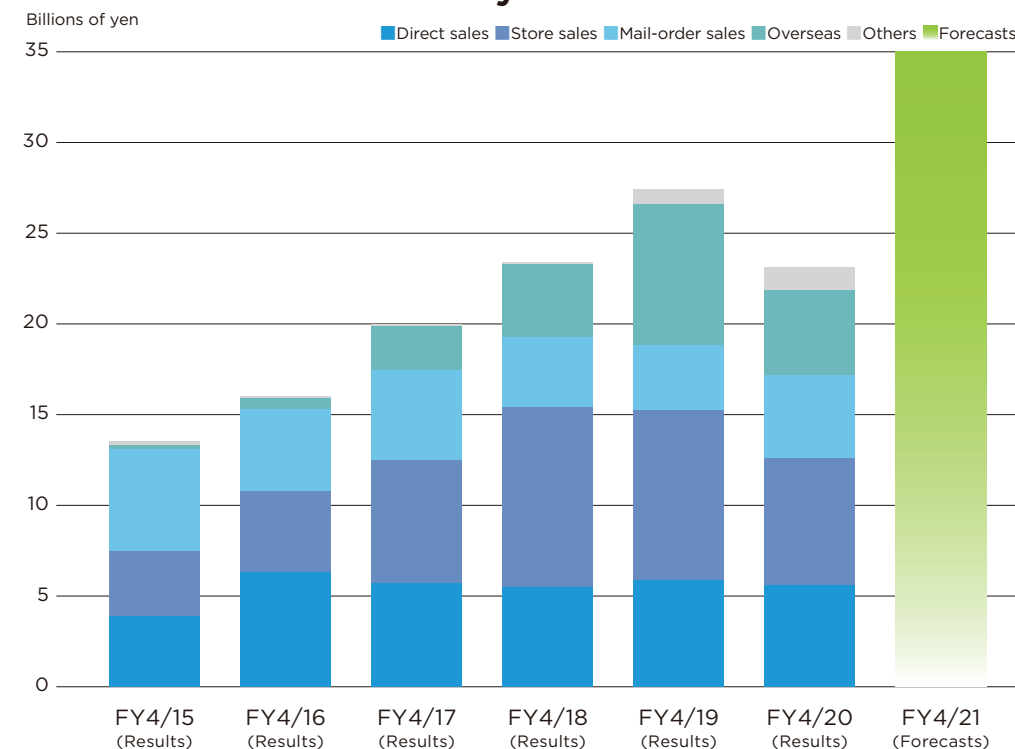
## Sales Capabilities

### Deepen sales channels to match demand trends

Direct sales (Japan)	Store sales (Japan)	Mail order sales (Japan)	Overseas sales
B to C transactions	B to B transactions		B to C transactions B to B transactions
①	②	③	④
<ul style="list-style-type: none"> <li>◆ YA-MAN ONLINE STORE</li> </ul>	<ul style="list-style-type: none"> <li>◆ Directly managed stores</li> <li>◆ Electronics retail stores</li> <li>◆ Department stores</li> <li>◆ Duty free shops</li> </ul>	<ul style="list-style-type: none"> <li>◆ Terrestrial television</li> <li>◆ 24 hour T.V. shopping on a dedicated channel</li> <li>◆ Catalog mail order</li> </ul>	<ul style="list-style-type: none"> <li>◆ T-mall's YA-MAN flagship store*</li> <li>◆ T-mall's ONLY MINERALS overseas flagship store</li> <li>◆ Famous local department store</li> <li>◆ Distributors**</li> </ul>

\*It is an online shopping mall for consumers operated by Alibaba Group in China. \*\*As for distributors, we have a policy of one distributor in each country, and we are making efforts to carefully select and develop them.

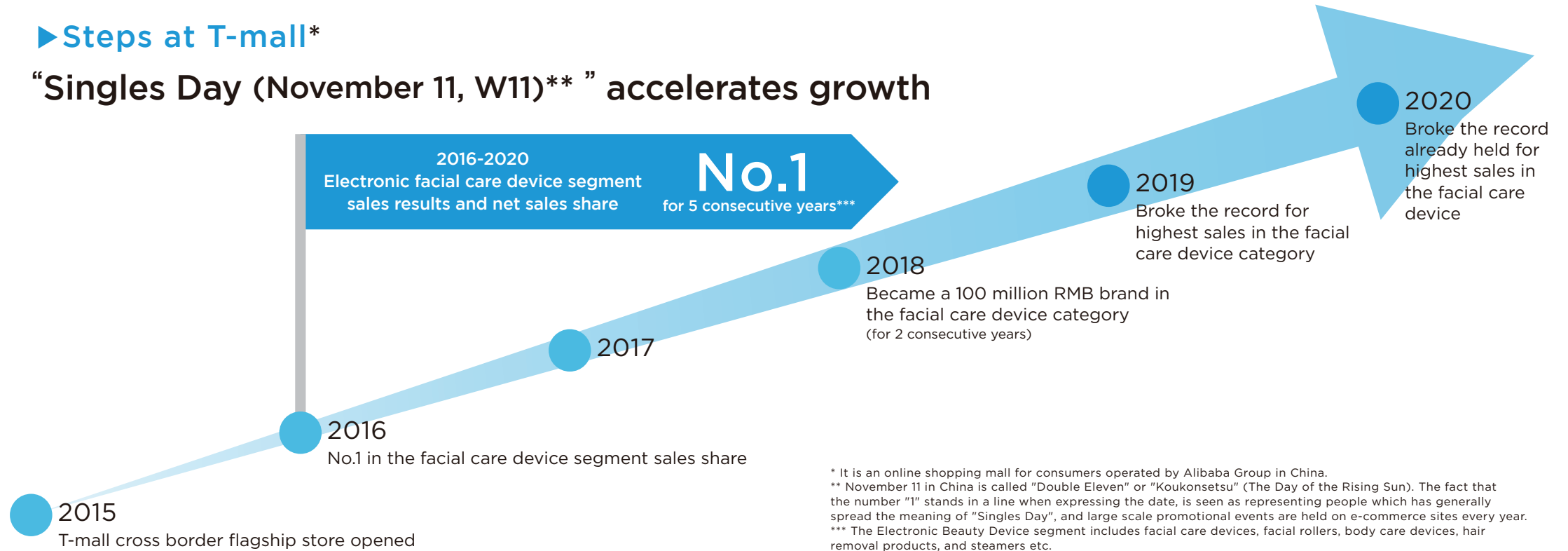
### Net sales by sales channel



## Sales Capabilities (Overseas Channel Example: China Market)

### ► Steps at T-mall\*

“Singles Day (November 11, W11)\*\* ” accelerates growth



Received the T-mall gold award for cosmetics and numerous other awards in the Chinese market

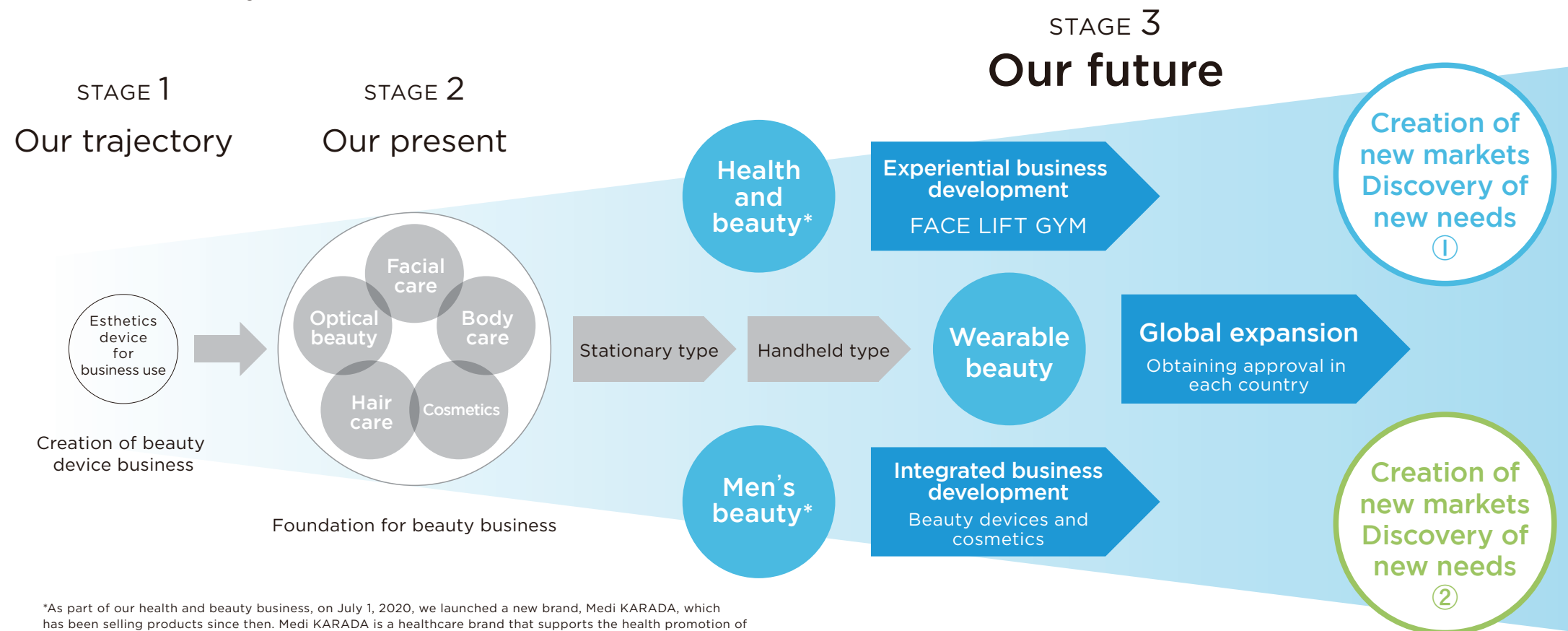
Part 3

# Our Future

(Medium-Term Management Plan)

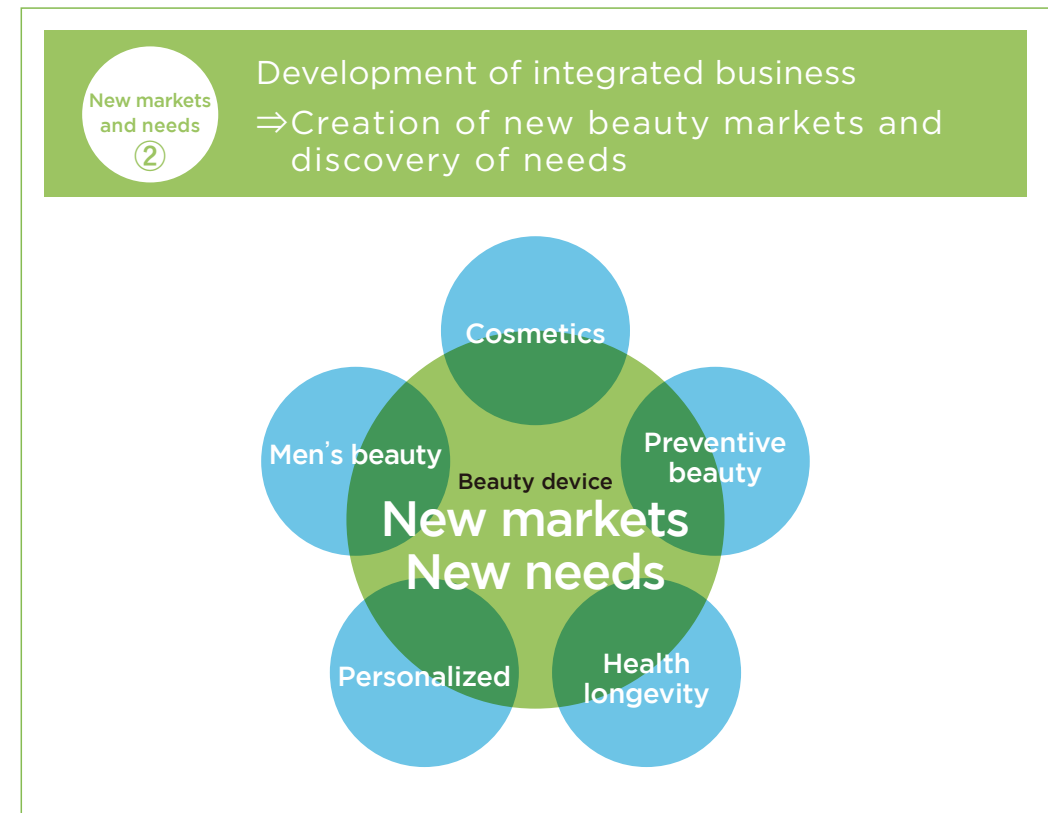
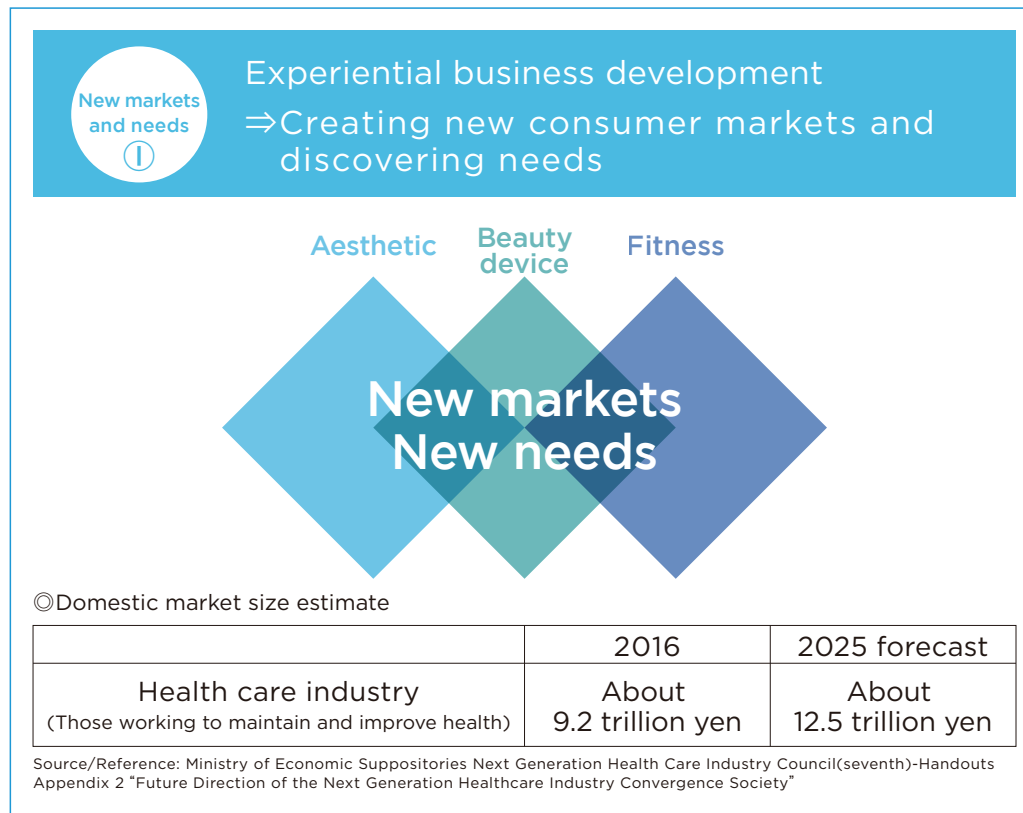


## Our Future : Evolution of Core Product Areas, New Initiatives, Creation of Markets (Customers) and Discovery of Needs



## ■ The Purpose of a Company is to Create New Markets and Discover New Needs.

Beyond “customer satisfaction”, the purpose of a company is to “create new markets and discover new needs”



## ■ Our Goal : Global Brand Company Based in Japan

Becoming a global brand company based in Japan as a beauty device company

Medium-term management plan targets

Net sales of **50** billion yen, operating margin of **20**% or more

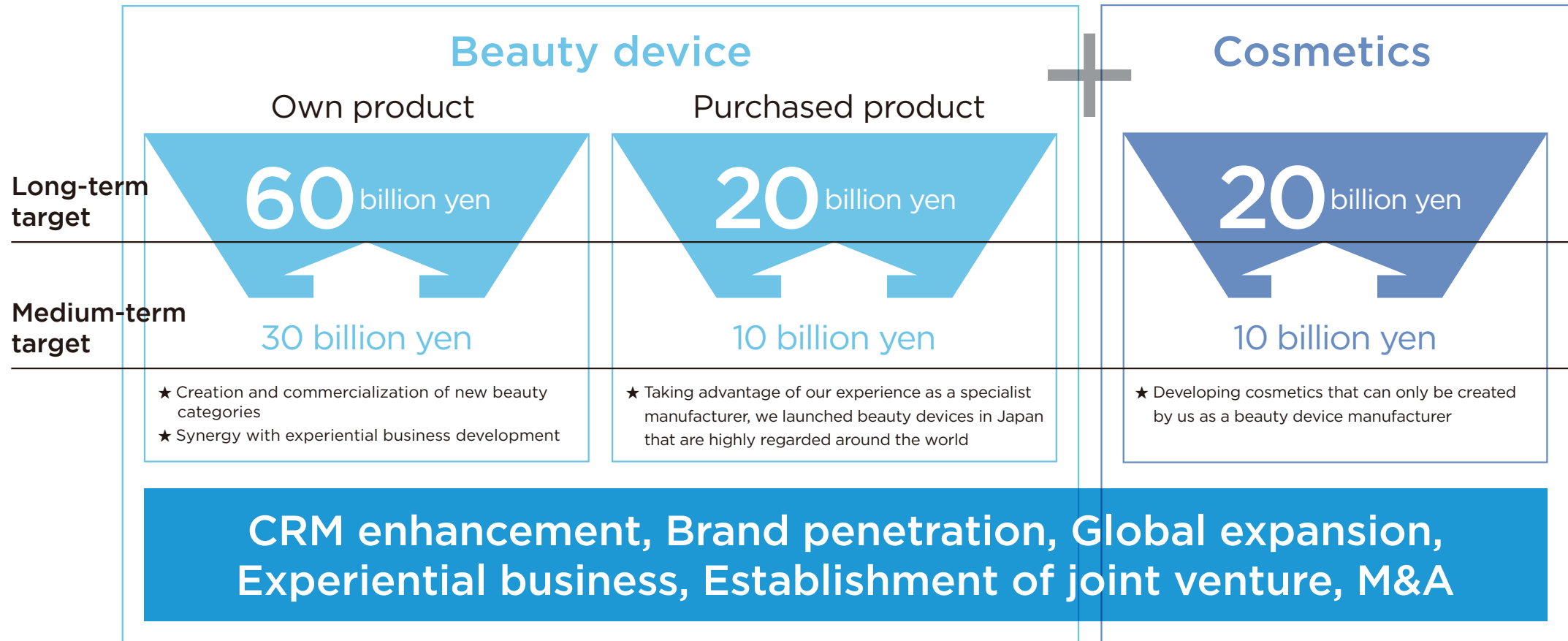


Long-term goal

Net sales of **100** billion yen, operating margin of **20**% or more



■ Basic Strategy : Medium-Term Sales Target of 50 billion yen and Long-Term Sales Target of 100 billion yen



## ■ Experiential Business Development : Strengthening Brand Power and Expanding Customer Base by Entering Experiential Services

### Developing new markets with facial training gyms

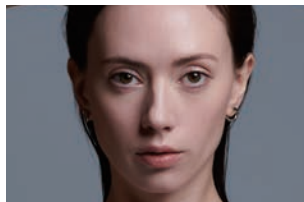
#### FACE LIFT GYM

Facial training gym

Our specialized trainers help make women feel and look more beautiful using our devices.  
A complete environment with our latest devices that let you attain beauty with your own hands

#### Effect

- Brand penetration through experience
- Expansion of customer base
- Improvement of customer satisfaction
- Acquisition of fixed customers (repeat demand)



#### Store opening plan

2020 : Opened in Aoyama and Ginza, in Tokyo



2021 : Development of major cities



#### Menu (as of November 2020)

##### Personal training

SIGNATURE / 30min.	5,000yen
QUICK / 15min.	3,000yen
RESCUE / 45min.	9,000yen
LUXE / 65min.	12,000yen

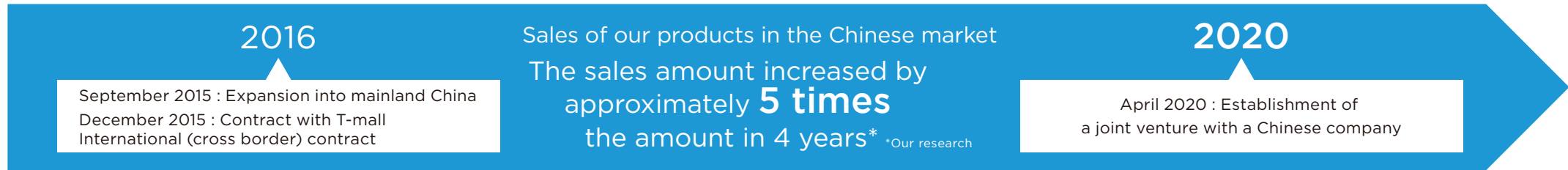
Owner's Lesson 30 min. 3,000yen

Lesson course for customers with  
YA-MAN facial care devices

Options



## Global Expansion (Success Factors in the Chinese Market and Future Strategy): Sales Increase in Line with the Increase in Transaction Volume



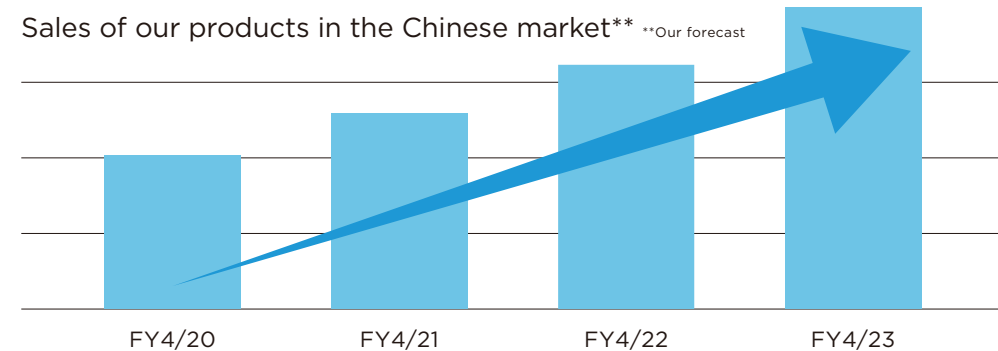
### Success factors

Brand	<p>雅萌 (Is how YA-MAN is expressed in Chinese)</p> <p>Appointment of an ambassador</p> <p>Recommendation of efficacy and safety by medical doctors and other experts</p>
Marketing	<p>Product planning and development to meet Chinese consumer demand</p>
Corporate structure	<p>In addition to the flexible response to the Chinese market Swift decision-making and action</p>

### Key strategies

- ◆ Establishment of prestigious brands (beauty devices)
- ◆ Development of cosmetics brands

Sales of our products in the Chinese market\*\* \*\*Our forecast



**Full scale expansion of business**

## Capital Policy : Continued Measures in Response to Financial Conditions and Stock Market Trends

### Shareholder returns since listing

	FY4/10	FY4/11	FY4/12	FY4/13	FY4/14	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20
Dividend per share*	2.3yen	3.0yen	3.6yen	3.6yen	3.6yen	3.6yen	3.6yen	7.2yen (3.6yen)	7.6yen (4.0yen)	8.1yen (4.5yen)	3.6yen
Total dividends	130 million yen	170 million yen	210 million yen	210 million yen	210 million yen	210 million yen	200 million yen	410 million yen	430 million yen	450 million yen	190 million yen
Dividend payout ratio (consolidated)	14.1%	18.6%	20.3%	69.2%	94.1%	67.4%	35.5%	18.1%	12.7%	12.9%	15.2%
Ratio of dividends to net assets (consolidated)	3.4%	3.3%	3.4%	3.2%	3.2%	3.1%	3.1%	5.2%	4.2%	3.7%	1.5%
Number of share repurchases	—	—	—	—	—	—	131,000 shares	—	—	1,160,000 shares	922,000 shares
Amount of share repurchases	—	—	—	—	—	—	290 million yen	—	—	2,030 million yen	570 million yen
Total return of shareholders	130 million yen	170 million yen	210 million yen	210 million yen	210 million yen	210 million yen	500 million yen	410 million yen	430 million yen	2,490 million yen	770 million yen

\* Dividend per share are adjusted to reflect the stock split implemented by FY4/20. The brackets indicate special dividends.

## Shareholder Benefits Program

### Shareholder benefits

## Shareholder discount coupon

Available on our website (YA-MAN ONLINE STORE)

Number of shares held	Period of holding	
	Less than 2 years	2 years or more*
100 shares or more and less than 500 shares	5,000yen	10,000yen
More than 500 shares	14,000yen	20,000yen

\*The term "2 years or more" is defined as the number of shares held by shareholders as of the record date of April 30, 2020 in the register of shares on October 31 and April 30 each year for 5 or more consecutive times with the same shareholder number.

## ■ Topics : Establishment of Joint Venture

### Development of new brands and business models

YA-MAN's high performance  
beauty device technology

Shiseido's cutting-edge skin science  
and technology

Creation of new skin care routines

The new company will create new safe and high-quality "Made in JAPAN" brands and products  
in Japan and China and other countries starting in 2021

**Company Name : EFFECTIM Co., Ltd.**

Capital : 490 million yen (YA-MAN has invested 35%), Established : October 1, 2020