

**Results of Operations for the
Third Quarter of FY4/23
(Nine months ended January 31, 2023)**

YA-MAN LTD.

March 14, 2023

A new beautiful.

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

Topics

➤ Increase in sales—record-high net sales in the first nine months

- Net sales: ¥35.3 billion
- Sales through e-commerce in China remained strong, especially for events such as the 6.18 and 11.11 (Double Eleven) shopping festivals.

➤ Decrease in profits

- Operating profit: ¥5.7 billion Ordinary profit: ¥5.4 billion Profit: ¥3.5 billion
- We made a major investment in sales promotion and advertising to raise the brand recognition of our new category.
- Due to the rapid appreciation of the yen over the period from November 2022 to January 2023, the effect of exchange differences resulting from translation of the foreign currency assets held by the Group immediately turned from gains to losses. Consequently, the gains recorded in the first half of the current fiscal year were almost offset.

(Millions of yen)

Fiscal years	3Q FY4/21 (May 1, 2020 – January 31, 2021)	3Q FY4/22 (May 1, 2021 – January 31, 2022)	3Q FY4/23 (May 1, 2022 – January 31, 2023)	Reference FY4/22 (May 1, 2021 – April 30, 2022)
Net sales	28,507	31,683	35,389	40,943
Operating profit	5,443	6,007	5,711	6,880
Operating margin (%)	19.1	19.0	16.1	16.8
Ordinary profit	5,279	6,267	5,452	8,063
Profit attributable to owners of parent	3,101	4,264	3,574	5,586
Net income per share (Yen)	56.37	77.51	64.96	101.54

Segment Information

Topics

➤ **The overseas sales segment remained strong**

- Sales through e-commerce in China remained strong, especially for events such as the 6.18 and 11.11 (Double Eleven) shopping festivals.
- Ongoing sales promotion and advertising activities have established our image as a luxury brand.
- We have successfully developed products that are popular in local areas.

➤ **Generally slow growth in each sales channel in Japan**

- Home shopping sales remained relatively solid.
- Store sales and direct sales could not deliver strong sales growth, struggling to compete in the hair care/shavers category, an area of focus where we aim to boost sales in the current fiscal year.

Net Sales

(Millions of yen)

Fiscal years	3Q FY4/21 (May 1, 2020 – January 31, 2021)	3Q FY4/22 (May 1, 2021 – January 31, 2022)	3Q FY4/23 (May 1, 2022 – January 31, 2023)	Reference FY4/22 (May 1, 2021 – April 30, 2022)
Home shopping sales	3,842	3,983	5,604	5,202
Store sales	5,653	6,743	6,328	8,398
Direct sales	9,532	8,828	8,045	11,566
Overseas sales	8,534	11,147	15,360	14,522
Others	944	979	50	1,253
Total	28,507	31,683	35,389	40,943

Operating Profit

(Millions of yen)

Fiscal years	3Q FY4/21 (May 1, 2020 – January 31, 2021)	3Q FY4/22 (May 1, 2021 – January 31, 2022)	3Q FY4/23 (May 1, 2022 – January 31, 2023)	Reference FY4/22 (May 1, 2021 – April 30, 2022)
Home shopping sales	1,606	1,673	2,021	2,132
Store sales	1,635	2,104	1,584	2,508
Direct sales	4,565	4,487	3,893	5,844
Overseas sales	2,583	3,762	6,067	4,385
Others	32	427	29	499
Adjustment*	(4,980)	(6,447)	(7,884)	(8,489)
Total	5,443	6,007	5,711	6,880

*Adjustment includes corporate expenses, such as product development and administrative expenses.

Balance Sheet Highlights

Topics

➤ Increase in inventories

- Inventories increased as we have shifted production of our main products from a make-to-order process to a planned production system.

➤ **ROA 11.7**

➤ **ROE 15.2**

(Millions of yen)

	3Q FY4/21	3Q FY4/22	3Q FY4/23	Reference FY4/22
	(January 31, 2021)	(January 31, 2022)	(January 31, 2023)	(April 30, 2022)
Total assets	24,724	28,592	30,471	30,552
Net assets	16,264	20,720	25,089	22,093
Equity ratio (%)	65.8	72.5	82.3	72.3
Cash and deposits	10,838	13,416	16,172	16,649
Trade receivables	5,156	5,443	4,174	5,194
Inventories	3,807	5,076	5,803	4,118
Trade payables	2,693	2,385	1,117	1,870
Interest-bearing debt	2,617	2,128	1,509	1,970

Upcoming Initiatives

➤ **Implement various investments in accordance with the medium-term investment plan**

Against a backdrop of the volatile state of the world, we face an extremely uncertain business environment involving changes in customers' consumption behavior, the recent rapid fluctuations in exchange rates, and other challenges. Given these circumstances, we will review our medium- to long-term growth strategy, while also developing a new Medium-Term Management Plan.

We will also remain all the more firmly committed to making investments for future expansion of earnings under these circumstances. In particular, we will continue to aggressively invest in sales promotion and advertising for hair care/shavers, a new category, technological development to create more new categories, and obtaining various certifications for strengthening to expand our business globally.

■ Medium-Term Management Plan

https://www.ya-man.co.jp/wp/wp-content/uploads/investment_plan_20220614.pdf



■ Hair care

<https://www.ya-man-tokyo-japan.com/products/hair.html>

■ Shaver (HOT SHAVE)

<https://www.ya-man-tokyo-japan.com/special/shaver/rfshaver2022/>

Earnings Forecasts

➤ Revised the full-year forecasts, as announced on March 14, 2023

Net sales for the nine months under review reached a record high, due to strong sales to the Chinese market in the first half of the current fiscal year and other factors.

However, full-year net sales for the fiscal year are expected to be lower than the plan, due to, among others: demand for high-end products beginning to slow down, with successive price increases of consumer goods seen amid heightened global inflation pressure, customers' consumption behavior shifting from product-oriented consumption to service-oriented consumption along with the active flow of people, and the expansion of domestic sales in China slowing down, affected by disruptions arising from a significant relaxation of China's zero-COVID policy.

Meanwhile, profits for the nine months under review were lower than expected, due to front-loaded investments to increase sales of the products in new categories, such as hair care/shavers, and the products for repeat sales over the medium-term, as well as the effect of rapid exchange rate fluctuations.

In particular, exchange rate fluctuations had a large impact on ordinary profit and below. Due to the rapid appreciation of the yen against the U.S. dollar over the period from November 2022 to January 2023, the effect of exchange differences resulting from translation of the foreign currency assets held by the Group immediately turned from gains to losses. Consequently, the exchange gains recorded in the first half of the current fiscal year were almost offset.

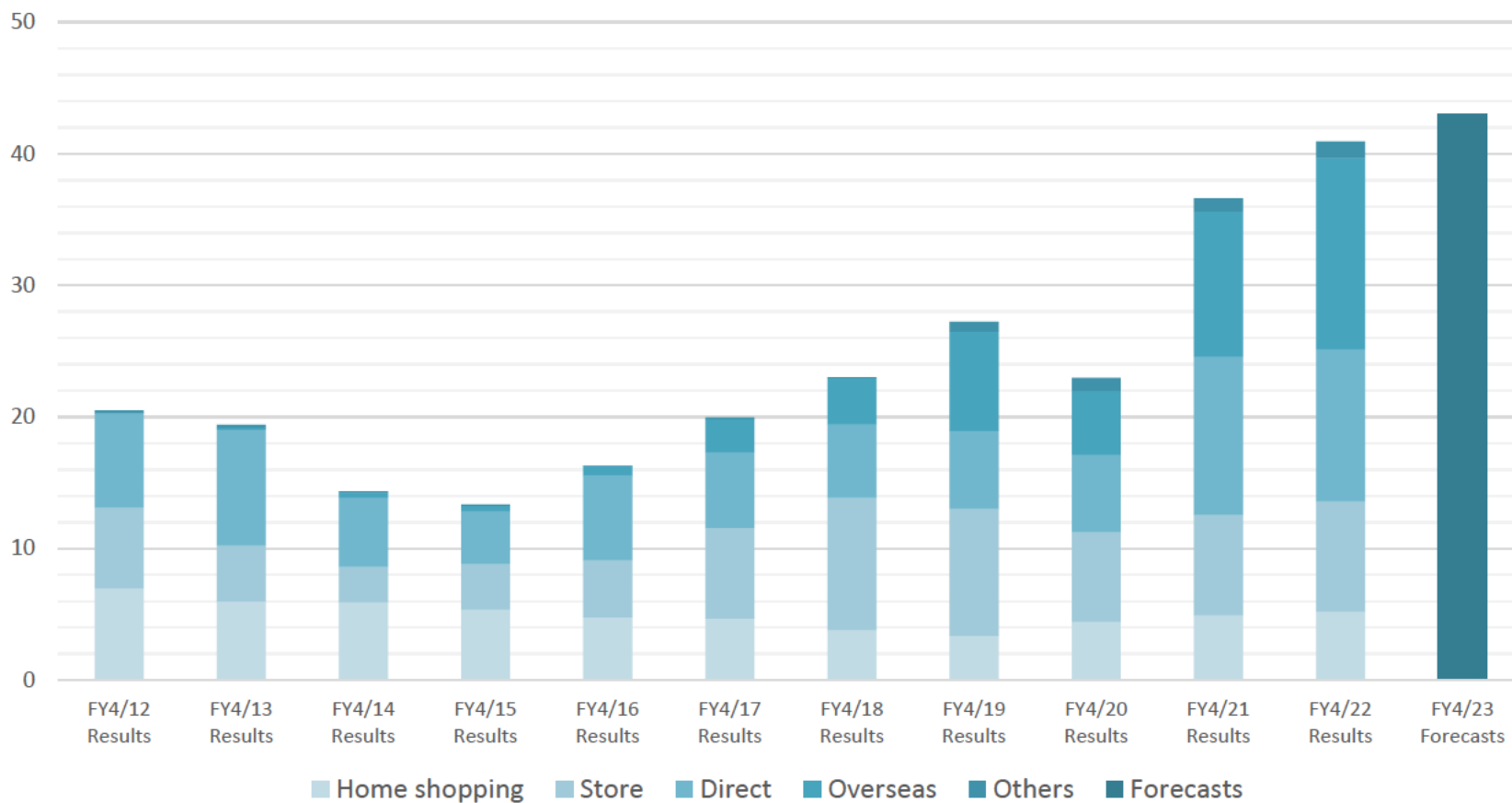
In terms of the status of the markets, there are a number of factors causing uncertainty and volatility, so that the Japanese economy and other economies are recovering only at a low speed.

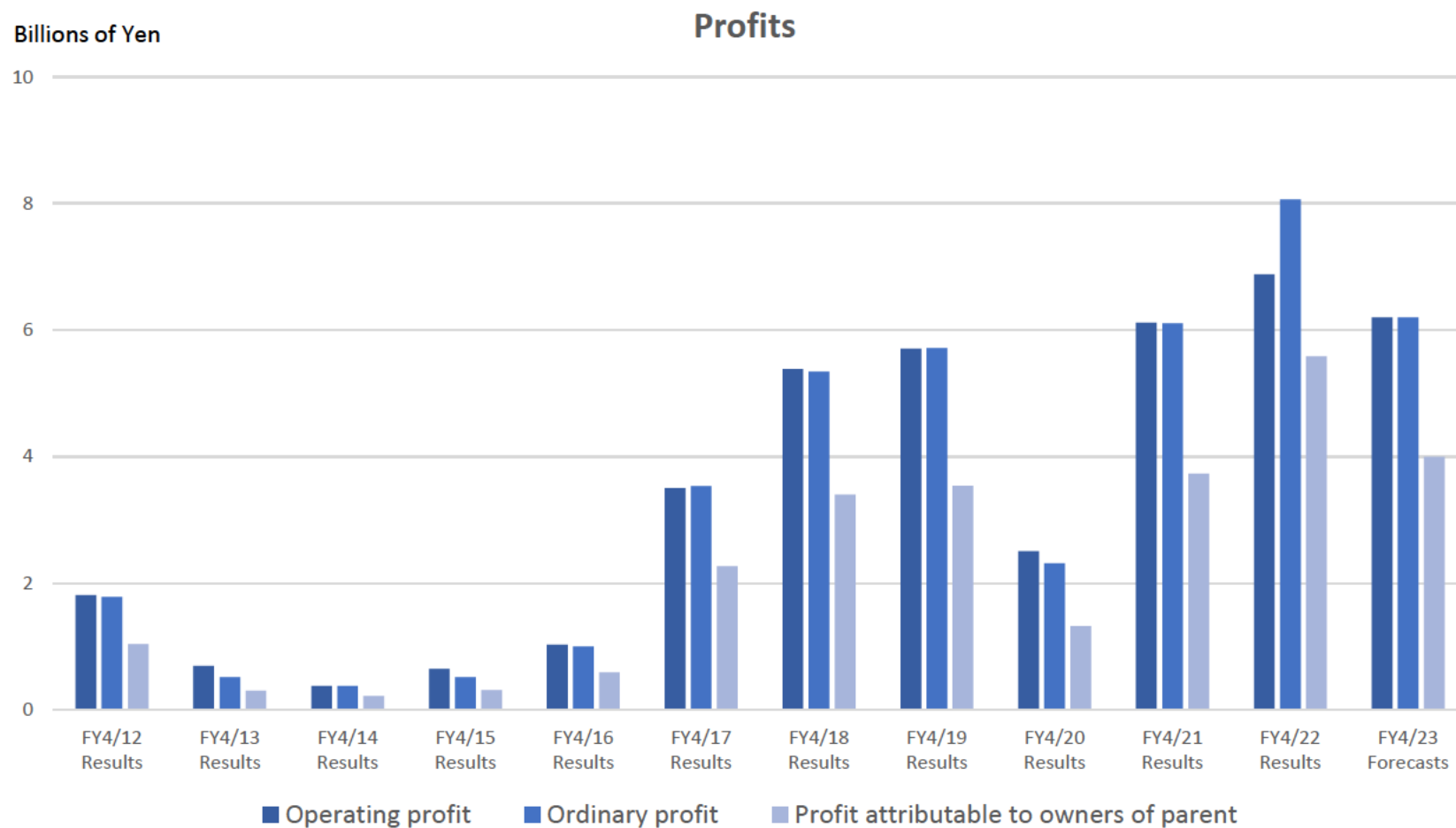
Considering these circumstances, we have revised our full-year earnings forecasts.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (Yen)
Forecast previously announced(A)	Millions of yen 50,000	Millions of yen 10,000	Millions of yen 9,600	Millions of yen 6,652	Yen 120.90
Forecast revised (B)	43,000	6,200	6,200	4,000	72.70
Change (B-A)	△7,000	△3,800	△3,400	△2,652	—
Change (%)	△14.0	△38.0	△35.4	△39.9	—
(Reference) FY4/22 (May 1, 2021 – April 30, 2022)	40,943	6,880	8,063	5,586	101.54

Net sales

Billions of Yen





Dividend Policy

➤ **Dividend forecast for the current fiscal year:
ordinary dividend to be further raised**

Ordinary dividend: interim ¥4.25 + year-end ¥4.25

While we had maintained an ordinary dividend of ¥1.80 for interim and ¥1.80 for year-end for years, we raised it to ¥2.00 for interim and ¥2.00 for year-end for the previous fiscal year and will raise it further to ¥4.25 for interim and ¥4.25 for year-end for the current fiscal year.

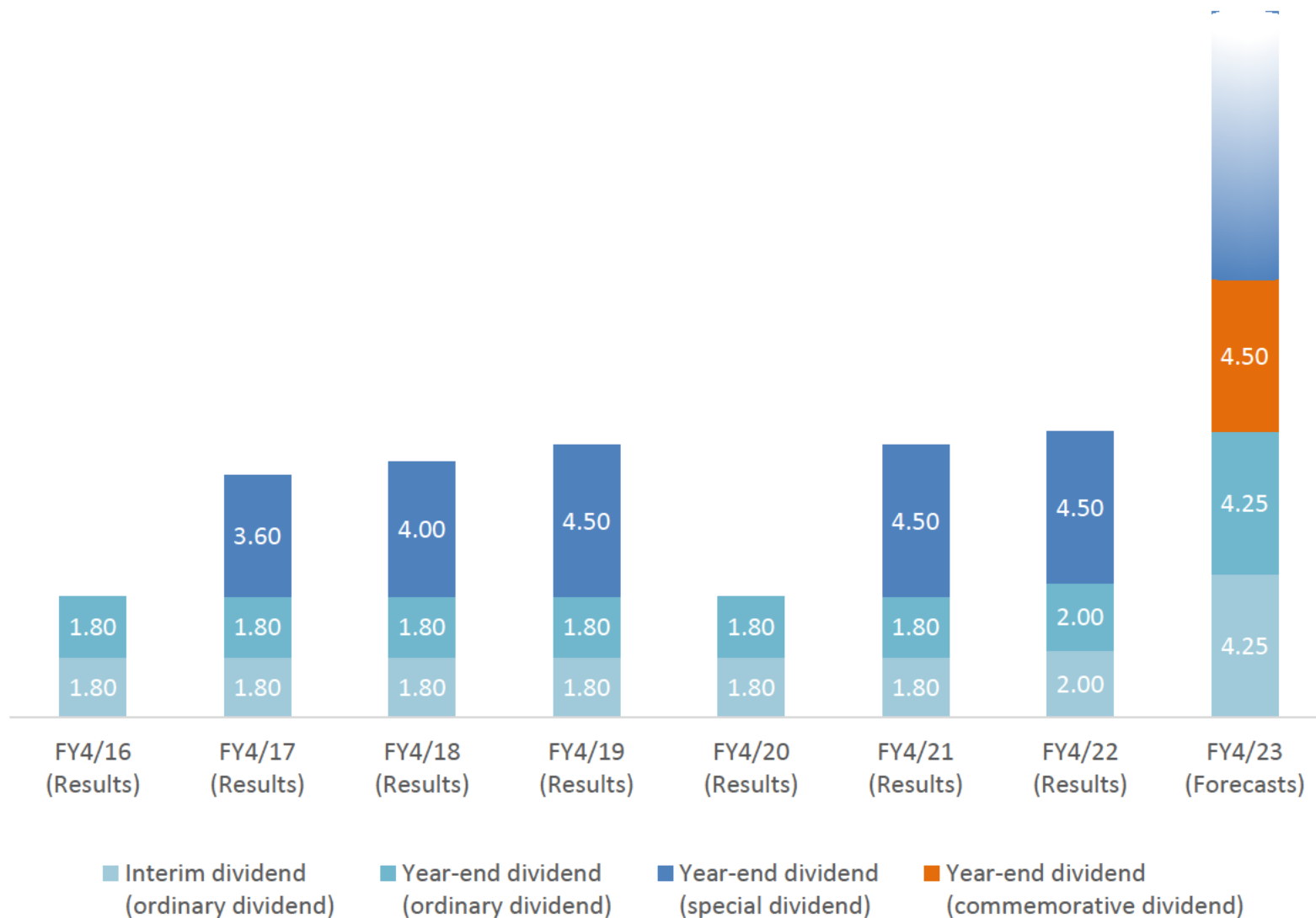
➤ **Commemorative dividend**

Commemorative dividend: year-end ¥4.50

As we will celebrate our 45th anniversary in May 2023, we will add a commemorative dividend of ¥4.50 to the year-end dividend for the current fiscal year.

➤ **Maintain our policy for determining the amount of
the annual dividend**

For the current fiscal year, we will continue to apply our dividend policy implemented in previous years, which is to determine final amount of the annual dividend by taking into account the full-year results and other factors.



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