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**Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending April 30, 2023
(Nine Months Ended January 31, 2023)
[Japanese GAAP]**



March 14, 2023

Company name: YA-MAN LTD.
 Listing: Tokyo Stock Exchange
 Stock code: 6630
 URL: <https://www.ya-man.co.jp/>
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 Scheduled date of filing of Quarterly Report: March 14, 2023
 Scheduled date of payment of dividend: -
 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 Nine Months Ended January 31, 2023 (May 1, 2022 – January 31, 2023)

(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	%
Nine months ended Jan. 31, 2023	35,389	11.7	5,711	(4.9)	5,452	(13.0)	3,574	(16.2)
Nine months ended Jan. 31, 2022	31,683	11.1	6,007	10.4	6,267	18.7	4,264	37.5

Note: Comprehensive income (million yen) Nine months ended Jan. 31, 2023: 3,587 (down 16.2%)
 Nine months ended Jan. 31, 2022: 4,279 (up 38.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jan. 31, 2023	64.96	-
Nine months ended Jan. 31, 2022	77.51	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jan. 31, 2023	30,471	25,089	82.3
As of Apr. 30, 2022	30,552	22,093	72.3

Reference: Shareholders' equity (million yen) As of Jan. 31, 2023: 25,089
 As of Apr. 30, 2022: 22,093

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Apr. 30, 2022	-	2.00	-	6.50	8.50
Fiscal year ending Apr. 30, 2023	-	4.25	-		
Fiscal year ending Apr. 30, 2023 (Forecast)				8.75	13.00

- Notes: 1. Revisions to the most recently announced dividend forecast: Yes
2. For details of the revisions, please refer to “Notice of Revisions to Dividend Forecast (Commemorative Dividend for the 45th Founding Anniversary)” announced on March 14, 2023.
3. Breakdown of the year-end dividend for the fiscal year ended Apr. 30, 2022:
Ordinary dividend: 2.00 yen Special dividend: 4.50 yen
4. Breakdown of the year-end dividend for the fiscal year ending Apr. 30, 2023 (forecast):
Ordinary dividend: 4.25 yen Commemorative dividend: 4.50 yen

3. Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2023 (May 1, 2022 – April 30, 2023)

(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	43,000	5.0	6,200	(9.9)	6,200	(23.1)	4,000	(28.4)	72.70	

- Note: 1. Revisions to the most recently announced consolidated earnings forecast: Yes
2. For details of the revisions, please refer to “Notice of Revisions to Forecast” announced on March 14, 2023.

*** 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: Yes
 - 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 Jan. 31, 2023: 58,348,880 shares As of Apr. 30, 2022: 58,348,880 shares
 - 2) Number of treasury shares at the end of the period
As of Jan. 31, 2023: 3,327,668 shares As of Apr. 30, 2022: 3,327,668 shares
 - 3) Average number of shares outstanding during the period
Nine months ended Jan. 31, 2023: 55,021,212 shares Nine months ended Jan. 31, 2022: 55,021,212 shares

*** 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. For assumptions for financial forecasts and notes of caution for using the forecasts, please refer to “Qualitative Information on Quarterly Consolidated Financial Performance” on page 2 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 Tuesday, March 14, 2023.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the third quarter (May 1, 2022 to January 31, 2023) of the current fiscal year, the Japanese economy began to recover as the COVID-19 pandemic showed signs of subsiding.

The pace of the recovery was, however, slow as the economic outlook became increasingly unclear due to successive price increases of consumer goods amid heightened global inflation pressure, currency fluctuations, and other factors.

Other countries also saw their economies recover only at a low speed, faced with various developments causing volatility and uncertainty, such as Russia's prolonged invasion of Ukraine, the rise in inflation, and disruptions arising from China's abolition of the zero-COVID policy.

In this environment, the YA-MAN Group has worked to expand and optimize its sales channels comprising home shopping sales, store sales, direct sales, and overseas operations, while focusing on branding primarily for hair care/shavers, one of its new categories, and enhanced product development to meet diverse customer needs.

In the overseas operations segment, events on Chinese e-commerce platforms, such as the 6.18 and 11.11 (Double Eleven) shopping festivals, were successful and largely contributed to an increase in sales. As a result, net sales for the nine months under review increased 11.7% year-on-year to 35,389 million yen, exceeding those for the same period of the previous fiscal year and marking a record high. Due to the rapid appreciation of the yen over the period from November 2022 to January 2023, however, the effect of exchange differences resulting from translation of the foreign currency assets held by the Group immediately turned from gains to losses. Consequently, ordinary profit decreased 13.0% year-on-year to 5,452 million yen, and profit attributable to owners of parent decreased 16.2% year-on-year to 3,574 million yen, both falling below the figures for the same period of the previous fiscal year.

Business segment performance was as follows.

1) Home shopping sales

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

In the nine months under review, each sales channels, particularly terrestrial TV shopping and catalog sales companies, were solid, resulting in a year-on-year increase in both sales and earnings. Segment sales increased 40.7% year-on-year to 5,604 million yen, and segment profit increased 20.8% year-on-year to 2,021 million yen.

2) Store sales

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

In the nine months under review, the growth in sales to home appliance stores was lower than expected, resulting in a year-on-year decrease in both sales and earnings. Segment sales decreased 6.2% year-on-year to 6,328 million yen and segment profit decreased 24.7% year-on-year to 1,584 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.

In the nine months under review, the Company focused its activities on sales of products using e-commerce platforms, such as its direct sales website and online shopping malls, but the results fell short of the significantly strong performance in the same period of the previous fiscal year. Segment sales decreased 8.9% year-on-year to 8,045 million yen, and segment profit decreased 13.2% year-on-year to 3,893 million yen.

Note: "Infomercial" is a combination of the 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 home shopping companies, wholesale companies and individuals.

In the nine months under review, sales to the Chinese market increased backed by strong sales on e-commerce platforms such as T-mall, resulting in a significant year-on-year increase in both sales and earnings. Segment sales increased 37.8% year-on-year to 15,360 million yen and segment profit increased 61.3% year-on-year to 6,067 million yen.

(2) Explanation of Financial Position

Total assets as of January 31, 2023 decreased by 80 million yen from the end of the previous fiscal year to 30,471 million yen.

This is mainly attributable to an increase in merchandise and finished goods of 1,317 million yen and an increase in raw materials and supplies of 403 million yen, despite a decrease in notes and accounts receivable - trade, and contract assets of 1,020 million yen and a decrease in cash and deposits of 477 million yen.

Total liabilities as of January 31, 2023 decreased by 3,077 million yen from the end of the previous fiscal year to 5,381 million yen.

This is mainly attributable to a decrease in income taxes payable of 1,281 million yen, a decrease in notes and accounts payable - trade of 753 million yen, a decrease in accounts payable - other of 666 million yen, and a decrease in long-term borrowings of 468 million yen.

Total net assets as of January 31, 2023 increased by 2,996 million yen from the end of the previous fiscal year to 25,089 million yen.

This is mainly attributable to an increase in retained earnings of 2,982 million yen resulting from the recording of 3,574 million yen in profit attributable to owners of parent, despite the payment of 591 million yen in dividends from surplus.

(3) Consolidated Financial Forecasts and Other Forward-looking Statements

In the fourth quarter and beyond, inbound demand is expected to recover due to the relaxation of border control measures for foreign tourists implemented to respond to the pandemic, while it is also anticipated that the reclassification of COVID-19 under a less serious category will lead to easing or lifting the movement restrictions. The Company, therefore, aims to capture changing customer needs to expand sales.

In particular, the Company will make a major investment in developing new products, obtaining certifications for relevant regulatory standards, and enhancing branding efforts to increase the recognition of the Company, as well as building a more resilient supply chain with a view to expanding its business globally.

While the business environment will continue to be extremely challenging and uncertain, the Company will remain committed to making investments according to its medium-term investment plan and will work to reorganize its business to further expand sales.

As announced on March 14, 2023, the Company revised its full-year consolidated earnings forecast for the fiscal year ending April 30, 2023. The Company forecasts net sales of 43,000 million yen, operating profit of 6,200 million yen, ordinary profit of 6,200 million yen, profit attributable to owners of parent of 4,000 million yen, and net income of 72.70 yen per share.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of April 30, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and deposits	16,649,109	16,172,028
Notes and accounts receivable - trade, and contract assets	5,194,903	4,174,815
Merchandise and finished goods	2,887,195	4,204,369
Work in process	45,227	9,221
Raw materials and supplies	1,186,405	1,589,617
Accounts receivable - other	933,772	695,137
Other	1,011,026	1,266,132
Allowance for doubtful accounts	(128)	-
Total current assets	27,907,512	28,111,322
Non-current assets		
Property, plant and equipment	541,324	549,102
Intangible assets	624,268	566,843
Investments and other assets		
Investment securities	300,000	300,000
Shares of subsidiaries and associates	424,436	159,141
Other	754,631	785,050
Total investments and other assets	1,479,067	1,244,191
Total non-current assets	2,644,661	2,360,138
Total assets	30,552,173	30,471,460
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,870,634	1,117,206
Current portion of long-term borrowings	624,000	624,000
Accounts payable - other	2,225,917	1,559,628
Income taxes payable	1,804,934	523,758
Provision for bonuses	80,092	48,814
Other	514,770	631,865
Total current liabilities	7,120,349	4,505,272
Non-current liabilities		
Long-term borrowings	1,330,000	862,000
Other	8,614	14,594
Total non-current liabilities	1,338,614	876,594
Total liabilities	8,458,964	5,381,867
Net assets		
Shareholders' equity		
Share capital	1,813,796	1,813,796
Capital surplus	1,432,431	1,432,431
Retained earnings	21,678,982	24,661,920
Treasury shares	(2,887,118)	(2,887,118)
Total shareholders' equity	22,038,091	25,021,029
Accumulated other comprehensive income		
Foreign currency translation adjustment	55,117	68,563
Total accumulated other comprehensive income	55,117	68,563
Total net assets	22,093,208	25,089,592
Total liabilities and net assets	30,552,173	30,471,460

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(Thousand yen)

	For the nine months ended January 31, 2022	For the nine months ended January 31, 2023
Net sales	31,683,128	35,389,072
Cost of sales	12,348,998	13,845,892
Gross profit	19,334,129	21,543,180
Selling, general and administrative expenses		
Advertising expenses	7,544,033	9,745,043
Provision of allowance for doubtful accounts	–	(136)
Salaries and allowances	912,080	976,451
Provision for bonuses	37,925	48,814
Depreciation	144,879	157,512
Research and development expenses	413,654	551,104
Other	4,274,068	4,352,488
Total selling, general and administrative expenses	13,326,641	15,831,279
Operating profit	6,007,487	5,711,901
Non-operating income		
Interest income	661	857
Dividend income	–	10,781
Foreign exchange gains	333,348	77,179
Other	10,576	9,307
Total non-operating income	344,587	98,125
Non-operating expenses		
Interest expenses	10,565	20,664
Guarantee commission	2,275	3,990
Loss on sale of trade receivables	3,889	3,026
Share of loss of entities accounted for using equity method	66,872	276,188
Donations	–	52,000
Other	1,099	1,250
Total non-operating expenses	84,702	357,120
Ordinary profit	6,267,372	5,452,906
Extraordinary income		
Gain on sale of non-current assets	1,135	–
Settlement income	1,350	1,350
Total extraordinary income	2,485	1,350
Extraordinary losses		
Contributions of loss	–	57,457
Loss on retirement of non-current assets	15,767	17,666
Total extraordinary losses	15,767	75,123
Profit before income taxes	6,254,090	5,379,132
Income taxes	1,989,511	1,804,716
Profit	4,264,578	3,574,415
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	4,264,578	3,574,415

Quarterly Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the nine months ended January 31, 2022	For the nine months ended January 31, 2023
Profit	4,264,578	3,574,415
Other comprehensive income		
Foreign currency translation adjustment	15,092	4,624
Share of other comprehensive income of entities accounted for using equity method	(489)	8,821
Total other comprehensive income	14,602	13,445
Comprehensive income	4,279,181	3,587,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,279,181	3,587,861
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the event of significant changes in shareholders' equity)

There is no relevant information.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the third quarter under review and multiplying quarterly profit before income taxes by such an estimated effective tax rate.

(Changes in accounting policies)

(Change in inventory valuation method)

Effective from the beginning of the first quarter of the current fiscal year, the Company has changed its inventory valuation method from the cost method based on the weighted average method to the cost method based on the moving average method.

The purpose of this change is to calculate periodic profit and loss more promptly and appropriately in conjunction with the construction of a new core system.

Since it is practically impossible to calculate the cumulative effect of retrospective application of the moving average method for past fiscal years, the book value at the end of the previous fiscal year is deemed to be the balance at the beginning of the fiscal year under review.

The effect of this change in accounting policy is immaterial.

(Additional information)

(Accounting estimates regarding the impact of the COVID-19 pandemic)

There have been no material changes to the assumptions regarding the impact of the COVID-19 pandemic described in (Additional Information) (Accounting estimates regarding the impact of the COVID-19 pandemic) of the Annual Securities Report for the previous fiscal year.

(Segment information, etc.)

(Segment information)

I. For the nine months ended January 31, 2022

Information on net sales and profit, and information on disaggregation of revenue, by reportable segment

(Thousand yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Home shopping sales	Store sales	Direct sales	Overseas operations	Total				
Net sales									
Revenue from contracts with customers	3,983,495	6,743,598	8,828,704	11,147,842	30,703,640	979,487	31,683,128	–	31,683,128
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	3,983,495	6,743,598	8,828,704	11,147,842	30,703,640	979,487	31,683,128	–	31,683,128
Intersegment net sales or transfers	–	–	–	–	–	23,709	23,709	(23,709)	–
Total	3,983,495	6,743,598	8,828,704	11,147,842	30,703,640	1,003,196	31,706,837	(23,709)	31,683,128
Segment profit	1,673,270	2,104,723	4,487,721	3,762,157	12,027,872	427,105	12,454,978	(6,447,491)	6,007,487

- (Notes) 1. "Others" is a business segment not included in the reportable segment and includes the advanced electronics division.
2. The adjustment for segment profit of (6,447,491) thousand yen includes the elimination of intersegment transactions of 31,445 thousand yen, corporate expenses of (6,475,413) thousand yen that are not allocated to each reportable segment, and elimination of unrealized profit of (3,523) thousand yen. Corporate expenses mainly consist of selling, general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

II. For the nine months ended January 31, 2023

Information on net sales and profit, and information on disaggregation of revenue, by reportable segment

(Thousand yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Home shopping sales	Store sales	Direct sales	Overseas operations	Total				
Net sales									
Revenue from contracts with customers	5,604,741	6,328,641	8,045,467	15,360,068	35,338,919	50,152	35,389,072	–	35,389,072
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	5,604,741	6,328,641	8,045,467	15,360,068	35,338,919	50,152	35,389,072	–	35,389,072
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	5,604,741	6,328,641	8,045,467	15,360,068	35,338,919	50,152	35,389,072	–	35,389,072
Segment profit	2,021,688	1,584,374	3,893,218	6,067,311	13,566,593	29,542	13,596,136	(7,884,234)	5,711,901

(Notes) 1. “Others” is a business segment not included in the reportable segment and includes the advanced electronics division.

2. The adjustment for segment profit of (7,884,234) thousand yen includes the elimination of intersegment transactions of 23,400 thousand yen, corporate expenses of (7,854,688) thousand yen that are not allocated to each reportable segment, and elimination of unrealized profit of (52,946) thousand yen. Corporate expenses mainly consist of selling, general and administrative expenses that do not belong to any reportable segment.

3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.