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Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending April 30, 2024
(Three Months Ended July 31, 2023)
[Japanese GAAP]



September 13, 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: September 13, 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 Three Months Ended July 31, 2023 (May 1, 2023 – July 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	%
Three months ended Jul. 31, 2023	9,627	(17.6)	1,674	(6.2)	1,816	(13.7)	1,142	(17.3)
Three months ended Jul. 31, 2022	11,688	9.9	1,784	(39.1)	2,104	(28.8)	1,381	(31.7)

Note: Comprehensive income (million yen) Three months ended Jul. 31, 2023: 1,173 (down 16.4%)
Three months ended Jul. 31, 2022: 1,403 (down 30.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jul. 31, 2023	20.77	-
Three months ended Jul. 31, 2022	25.11	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jul. 31, 2023	32,389	26,110	80.6
As of Apr. 30, 2023	30,979	25,435	82.1

Reference: Shareholders' equity (million yen) As of Jul. 31, 2023: 26,110
As of Apr. 30, 2023: 25,435

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Apr. 30, 2023	Yen -	Yen 4.25	Yen -	Yen 8.75	Yen 13.00
Fiscal year ending Apr. 30, 2024	-				
Fiscal year ending Apr. 30, 2024 (Forecast)		4.25	-	4.25	8.50

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. Breakdown of the year-end dividend for the fiscal year ended Apr. 30, 2023:

Ordinary dividend: 4.25 yen Commemorative dividend for the 45th founding anniversary: 4.50 yen

3. Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2024 (May 1, 2023 – April 30, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	45,000	4.7	6,500	6.0	6,200	4.8	4,350	11.2	79.06

Notes: 1. Revisions to the most recently announced consolidated earnings forecast: None

2. In light of the progress of sales resulting from various unstable factors, and in order to promote constructive dialogue toward enhancing corporate value over the medium to long term, only the full year earnings forecast is announced.

*** 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 Jul. 31, 2023: 58,348,880 shares As of Apr. 30, 2023: 58,348,880 shares
 - 2) Number of treasury shares at the end of the period
As of Jul. 31, 2023: 3,327,668 shares As of Apr. 30, 2023: 3,327,668 shares
 - 3) Average number of shares outstanding during the period
Three months ended Jul. 31, 2023: 55,021,212 shares Three months ended Jul. 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 Wednesday, September 13, 2023.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter (May 1, 2023 to July 31, 2023) of the current fiscal year, the Japanese economy saw active movement towards a normalization of socioeconomic activity, as COVID-19 was reclassified as a Class 5 infectious disease under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases and lifestyles for coexisting with COVID-19 continued to be established.

However, uncertainty regarding the future of both domestic and overseas economies remained due to soaring global resource prices, rising commodity prices, and unstable exchange rates.

Under these circumstances, the YA-MAN Group announced its new medium-term management plan, “Going Global Strategy” in June 2023. The Group has worked to optimize its sales channels comprising home shopping sales, store sales, direct sales, and overseas operations, while actively engaging in front-loaded investment in R&D and advertising, etc., led by its intent to achieve its five-year numerical target of 70.0 billion yen in net sales.

The Group was affected by changes in consumption behavior among consumers, such as a tendency to shift from product-oriented consumption to experience-oriented consumption, and to refrain from purchasing high-priced products along with the rise in commodity prices. Furthermore, we made front-loaded investment in advertising for new products, and measures to increase repeat direct sales. As a result, for the three months under review, net sales decreased 17.6% year-on-year to 9,627 million yen, ordinary profit decreased 13.7% year-on-year to 1,816 million yen, and profit attributable to owners of parent decreased 17.3% year-on-year to 1,142 million yen. Thus, each result fell short of 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 TV shopping companies, sales to catalog sales companies, and sales to companies that sell products exclusively on the Internet.

In the three months under review, each sales channel such as terrestrial TV shopping struggled. Segment sales decreased 17.9% year-on-year to 1,104 million yen and segment profit decreased 28.1% year-on-year to 347 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 three months under review, sales were solid centered on home appliance stores, but categories such as the depilation and slimming were unable to achieve steady growth. Segment sales decreased 9.7% year-on-year to 1,719 million yen, and segment profit decreased 23.6% year-on-year to 403 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.

In the three months under review, sales of oral care products were strong, but we made front-loaded investment in repeat sales. As a result, segment sales decreased 19.1% year-on-year to 2,109 million yen and segment profit decreased 40.8% year-on-year to 736 million yen.

4) Overseas operations

Sales in this segment represent mainly sales to overseas home shopping companies, wholesale companies and individuals.

In the three months under review, e-commerce sales in China remained strong, but the results fell short of the record high achieved in the same period of the previous fiscal year. Segment sales decreased 20.0% year-on-year

to 4,648 million yen and segment profit decreased 11.6% year-on-year to 2,025 million yen.

(2) Explanation of Financial Position

Total assets as of July 31, 2023 increased by 1,409 million yen from the end of the previous fiscal year to 32,389 million yen.

This is mainly attributable to an increase in merchandise and finished goods of 532 million yen, an increase in notes and accounts receivable - trade, and contract assets of 411 million yen, and an increase in raw materials and supplies of 277 million yen.

Total liabilities as of July 31, 2023 increased by 735 million yen from the end of the previous fiscal year to 6,278 million yen.

This is mainly attributable to an increase in liabilities from application of equity method of 230 million yen, an increase in income taxes payable of 191 million yen, and an increase in notes and accounts payable - trade of 169 million yen.

Total net assets as of July 31, 2023 increased by 674 million yen from the end of the previous fiscal year to 26,110 million yen.

This is mainly attributable to an increase in retained earnings of 661 million yen resulting from the recording of 1,142 million yen in profit attributable to owners of parent, despite the payment of 481 million yen in dividends from surplus.

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

The business environment surrounding the YA-MAN Group is continuing to change, with a recovery of personal consumption driven by wage hikes and a recovery of inbound demand. The Group is planning to further expand its investing activities in the second quarter and beyond, in order to respond appropriately to the above changes and to provide products that meet customer needs in a timely manner.

The consolidated earnings forecasts for the fiscal year ending April 30, 2024 are: a net sales increase of 4.7% year-on-year to 45,000 million yen, an operating profit increase of 6.0% to 6,500 million yen, an ordinary profit increase of 4.8% to 6,200 million yen, and a profit attributable to owners of parent increase of 11.2% to 4,350 million yen.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of April 30, 2023	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	16,146,142	16,077,500
Notes and accounts receivable - trade, and contract assets	4,935,153	5,346,190
Merchandise and finished goods	4,018,266	4,551,228
Work in process	8,030	8,190
Raw materials and supplies	1,106,204	1,384,017
Accounts receivable - other	936,297	918,660
Income taxes refund receivable	1,291	270
Other	1,415,310	1,637,565
Total current assets	28,566,696	29,923,624
Non-current assets		
Property, plant and equipment	543,594	588,718
Intangible assets	590,776	616,604
Investments and other assets		
Investment securities	300,000	300,000
Shares of subsidiaries and associates	77,981	74,820
Other	900,477	885,649
Total investments and other assets	1,278,459	1,260,470
Total non-current assets	2,412,829	2,465,793
Total assets	30,979,525	32,389,417
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,521,045	1,690,060
Current portion of long-term borrowings	624,000	624,000
Accounts payable - other	1,421,382	1,443,786
Income taxes payable	494,696	685,929
Provision for bonuses	112,565	63,750
Other	508,062	837,131
Total current liabilities	4,681,752	5,344,658
Non-current liabilities		
Long-term borrowings	706,000	550,000
Liabilities from application of equity method	143,326	373,617
Other	12,500	10,402
Total non-current liabilities	861,827	934,019
Total liabilities	5,543,580	6,278,678
Net assets		
Shareholders' equity		
Share capital	1,813,796	1,813,796
Capital surplus	1,432,431	1,432,431
Retained earnings	25,004,092	25,665,527
Treasury shares	(2,887,118)	(2,887,118)
Total shareholders' equity	25,363,201	26,024,636
Accumulated other comprehensive income		
Foreign currency translation adjustment	72,743	86,102
Total accumulated other comprehensive income	72,743	86,102
Total net assets	25,435,945	26,110,738
Total liabilities and net assets	30,979,525	32,389,417

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Thousand yen)

	For the three months ended July 31, 2022	For the three months ended July 31, 2023
Net sales	11,688,001	9,627,877
Cost of sales	4,532,558	3,590,265
Gross profit	7,155,443	6,037,612
Selling, general and administrative expenses		
Advertising expenses	3,356,461	2,154,880
Provision of allowance for doubtful accounts	(136)	–
Salaries and allowances	357,282	366,318
Provision for bonuses	42,167	63,750
Depreciation	56,982	44,478
Research and development expenses	129,790	223,639
Other	1,428,780	1,510,174
Total selling, general and administrative expenses	5,371,328	4,363,242
Operating profit	1,784,115	1,674,369
Non-operating income		
Interest income	142	91
Dividend income	10,781	12,000
Foreign exchange gains	460,826	382,367
Other	677	747
Total non-operating income	472,427	395,206
Non-operating expenses		
Interest expenses	5,550	5,499
Guarantee commission	315	–
Loss on sale of trade receivables	68	903
Share of loss of entities accounted for using equity method	146,036	246,069
Other	489	559
Total non-operating expenses	152,460	253,031
Ordinary profit	2,104,081	1,816,543
Extraordinary losses		
Loss on retirement of non-current assets	–	16,270
Total extraordinary losses	–	16,270
Profit before income taxes	2,104,081	1,800,272
Income taxes	722,745	657,402
Profit	1,381,335	1,142,870
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,381,335	1,142,870

Quarterly Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the three months ended July 31, 2022	For the three months ended July 31, 2023
Profit	1,381,335	1,142,870
Other comprehensive income		
Foreign currency translation adjustment	13,227	25,477
Share of other comprehensive income of entities accounted for using equity method	8,892	5,507
Total other comprehensive income	22,120	30,984
Comprehensive income	1,403,456	1,173,855
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,403,456	1,173,855
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 first quarter under review and multiplying quarterly profit before income taxes by such an estimated effective tax rate.

(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 three months ended July 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	1,345,434	1,904,502	2,608,379	5,809,586	11,667,903	20,098	11,688,001		11,688,001
Revenue from other sources	—	—	—	—	—	—	—	—	—
Net sales to outside customers	1,345,434	1,904,502	2,608,379	5,809,586	11,667,903	20,098	11,688,001	—	11,688,001
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	1,345,434	1,904,502	2,608,379	5,809,586	11,667,903	20,098	11,688,001		11,688,001
Segment profit	483,709	528,365	1,243,714	2,290,214	4,546,003	14,147	4,560,151	(2,776,036)	1,784,115

(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 (2,776,036) thousand yen includes the elimination of intersegment transactions of 7,800 thousand yen, corporate expenses of (2,763,251) thousand yen that are not allocated to each reportable segment, and elimination of unrealized profit of (20,584) 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 three months ended July 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	1,104,550	1,719,019	2,109,372	4,648,028	9,580,970	46,906	9,627,877	–	9,627,877
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	1,104,550	1,719,019	2,109,372	4,648,028	9,580,970	46,906	9,627,877	–	9,627,877
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	1,104,550	1,719,019	2,109,372	4,648,028	9,580,970	46,906	9,627,877	–	9,627,877
Segment profit	347,673	403,787	736,137	2,025,644	3,513,243	32,052	3,545,295	(1,870,926)	1,674,369

(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 (1,870,926) thousand yen includes the elimination of intersegment transactions of 7,800 thousand yen, corporate expenses of (1,880,993) thousand yen that are not allocated to each reportable segment, and elimination of unrealized profit of 2,267 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.