

**Results of Operations for the Second  
Quarter of FY4/25  
(Six months ended October 31, 2024)**

**YA-MAN LTD.**

**December 13, 2024**

# 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.

# Overview of Results of Operations

# YAMAN Summary of Profits and Losses

Results of Operations  
for 2Q FY4/25

(Millions of yen)	2023 2Q	2024 2Q	YoY	Remarks on major changes
Net sales	18,802	<b>12,718</b>	(6,083)	China was affected by stagnant consumption and the RF regulations. Sales composition: beauty equipment 84%; cosmetics 14%; and others 2%
Gross profit (Gross profit ratio)	11,670 (62.0%)	<b>7,297</b> <b>(57.4%)</b>	(4,372)	Gross profit ratio decreased due to the increased procurement costs resulting from yen depreciation.
Selling, general and administrative expenses	9,424	<b>6,653</b>	(2,770)	Investment in domestic advertisement expense was more efficiency oriented. Although personnel expenses increased, other costs were reduced.
Operating profit (Operating margin)	2,246 (11.9%)	<b>643</b> <b>(5.1%)</b>	(1,602)	Operating profit remained profitable.
Ordinary profit	2,632	<b>285</b>	(2,347)	The yen has continued to appreciate since the end of the previous fiscal year, resulting in the recording of foreign exchange losses.
Profit(loss) attributable to owners of parent	1,608	<b>6</b>	(1,601)	
Net income per share (Yen)	82.56	<b>0.12</b>	(82.44)	

Overseas, profit declined due to the stagnant consumption and the market turmoil caused by RF regulations in China. In Japan, sales at the Ginza flagship store and home appliance stores grew. While hair care, a new category of products, also contributed to sales growth, front-loaded investment in measures to increase repeat direct sales still continued

(Millions of yen)	Net sales			Operating profit		
	2023 2Q	2024 2Q	YoY	2023 2Q	2024 2Q	YoY
Home shopping sales	2,298	<b>2,147</b>	(150)	682	<b>638</b>	(44)
Store sales	3,720	<b>3,985</b>	+264	644	<b>906</b>	+261
Direct sales	4,537	<b>3,406</b>	(1,131)	1,435	<b>887</b>	(547)
Overseas sales	8,196	<b>2,986</b>	(6,226)	3,530	<b>989</b>	(2,540)
Others	49	<b>374</b>	+324	37	<b>41</b>	+3
Adjustment*	—	<b>(181)</b>	(181)	(4,083)	<b>(2,812)</b>	+1,265
Total	18,802	<b>12,718</b>	(6,083)	2,246	<b>643</b>	(1,602)

(Millions of yen)

	April 30, 2024	Oct 31, 2024	Change		April 30, 2024	Oct 31, 2024	Change
<b>Current assets</b>	26,016	<b>26,223</b>	+206	<b>Liabilities</b>	3,976	<b>4,843</b>	+867
Cash and deposits	16,605	<b>16,744</b>	+138	Trade payables	782	<b>1,166</b>	+384
Accounts receivables Allowance for doubtful accounts	4,834 (980)	<b>4,862 (270)</b>	+28 +710	Interest-bearing debt	729	<b>929</b>	+200
Inventories	4,056	<b>3,885</b>	(171)				
<b>Non-current assets</b>	3,073	<b>3,468</b>	+394	<b>Net assets</b>	25,113	<b>24,847</b>	(266)
<b>Total Assets</b>	29,090	<b>29,691</b>	+601	<b>Liabilities and net assets</b>	29,090	<b>29,691</b>	+601
				<b>Equity ratio</b>	86.3%	<b>83.7%</b>	(2.6pt)

(Millions of yen)

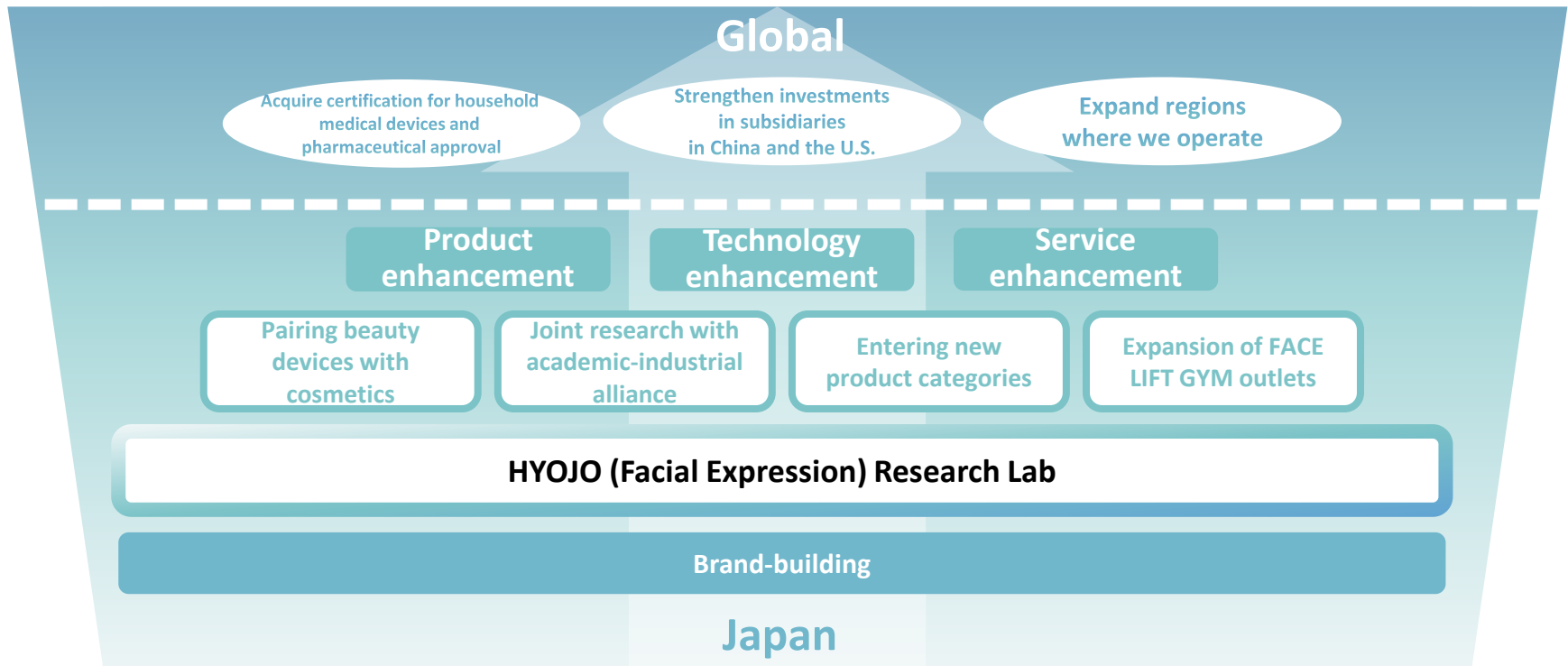
	2023 2Q	2024 2Q	Change	YoY
Cash flows from operating activities	1,739	<b>1,060</b>	(678)	Profit before income taxes decreased, despite income increased due to an improvement in working capital, including lower inventory due to inventory reduction, and lower income tax payments.
Cash flows from investing activities	(486)	<b>(244)</b>	+242	Expenses decreased due to the initial investment for the opening of the Ginza flagship store in November 2023 in the previous year.
Free cash flows	1,252	<b>816</b>	(436)	
Cash flows from financing activities	(796)	<b>(600)</b>	(195)	Expenditures decreased due to the payment of a commemorative dividend for the 45th founding anniversary in the previous year.
Net increase (decrease) in cash and cash equivalents	1,016	<b>138</b>	(877)	
Cash and cash equivalents at end of period	16,708	<b>16,290</b>	(417)	

# **Progress on Our Medium-Term Management Plan and Medium-Term Investment Plan**



As a beauty equipment manufacturer,  
we aim to become a “global brand company” based in Japan.

Growth investment to achieve targets



### Medium-term investment plan

Through joint research with universities, we will verify the specific efficacy and safety of products of the Company and aim to elucidate unique mechanisms that will lead to future product development.

Results obtained through research will be given back to the development of beauty technologies through the publication of papers, etc., leading to the further development of the beauty equipment industry.

HYOJO  
(Facial Expression)  
Science Lab



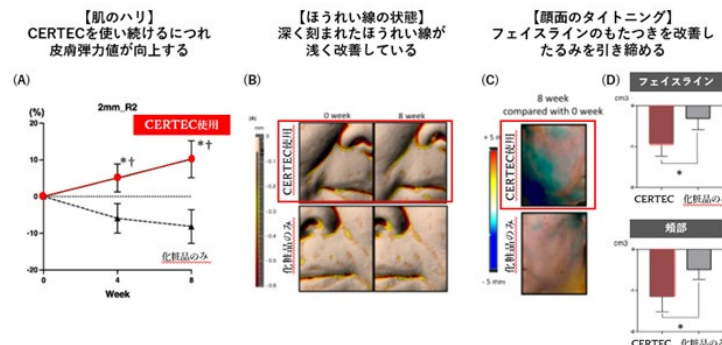
Industry-academia  
collaboration



### Progress in the fiscal year under review

Held paper presentation as a result of joint research with our research base “HYOJO Science Lab” and Research Institute the Department of Dermatology, Graduate School of Medicine, The University of Tokyo.

Product development equipped with CERTEC technology.



### Medium-term investment plan

Technologies accumulated by “HYOJO Science Lab” and new products will be disseminated through Face Lift Gym, and obtained customer data will be accumulated for feedback, leading to further advancement of technologies.

It is planned that Face Lift Gym will be adjacently established in YA-MAN’s first large-scale flagship store to be opened in Tokyo in 2023.

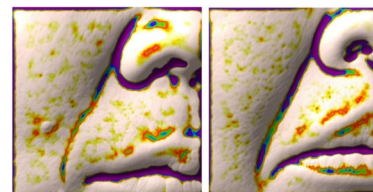


### Progress in the fiscal year under review

Face lift care lessons began at the Ginza flagship store



Utilization of measurement data at face lift gym  
Measure the skin three-dimensionally by a special camera



### Medium-term investment plan

Obtain pharmaceutical certification for medical equipment for home use

#### [China]

We will promote NMPA certification registration so we can sell our products as medical equipment for home use.

#### [The U.S.]

We will promote FDA certification registration for facial care devices.

Strengthen investment in subsidiaries in China and the U.S.

#### [China]

We will continue to strengthen sales through live commerce, etc., leveraging YA-MAN's brand strength and work to deploy new categories.

#### [The U.S.]

We will actively sell FDA-certified products and beauty equipment for home use and aim to increase the recognition of our brand in the Europe and the U.S. markets.



### Progress in the fiscal year under review

#### 【China】

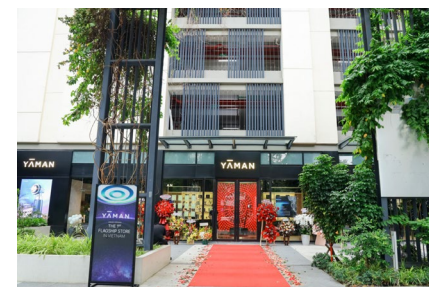
The Company achieved the number one sales\*1 in the beauty device category on Tmall, China's largest comprehensive e-commerce platform, and ranked in the top 20 in the overall "Beauty & Makeup" category ranking as the only beauty device brand alongside global luxury cosmetics and skincare brands

Tmallの「美容&化粧品カテゴリ」では18位、「美容機器単独」では1位を獲得



#### 【Vietnam】

The Company opened its first overseas permanent large-scale street store that handles multiple brands in Ho Chi Minh City in November 2024.



YA-MAN purchased all the shares of forty-four in August 2024, which will make this company a subsidiary.

## Reason for the acquisition

YA-MAN is working on a variety of issues to achieve our medium-term management plan, and one of them is that it is important to quickly improve the sales of the direct sales division and improve profit margins by improving advertising efficiency.

This acquisition is expected to **control advertising costs and improve our group's advertising efficiency**, which will lead to higher profit margins. And it is expected to also **speed up test sales of new products** that cannot be handled with the current system and move forward with initiatives for more products as soon as possible.

The Board of Directors of the Company approved a resolution on November 23, 2024, to transfer all the investments held by the Company in MACHERIE BEAUTY TECHNOLOGY CO., LTD., an equity method affiliate of the Company.

As a result of this investment transfer, MACHERIE will be excluded from the Company's equity-method affiliates and the Company expects to book 960 million yen as extraordinary income from the gain on sale of shares of subsidiaries and associates

#### Reason for the Transferor

The Company invested in MACHERIE in 2019 for the purpose of growing business in China. At the same time, the Company founded YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD in 2019 and YA-MAN (ZHEJIANG) E-COMMERCE CO., LTD.in 2024 for the purpose of developing its unique direct sales channel. Having in the meantime decided to concentrate management resources on its direct sales channel, the Company decided to carry out this investment transfer.

# Earnings and Dividend Forecasts



There is no change from the earnings forecasts announced on June 14, 2024.

Net sales are expected to increase by 3.0 billion yen to 35.0 billion yen compared to the previous fiscal year. Operating profit is also expected to increase by 2.08 billion yen to 2.5 billion yen compared to the previous fiscal year.

(Billions of yen)

	FY4/24 Results	FY4/25 Forecast	YoY Change	Change (%)
Net sales	32.0	<b>35.0</b>	+3.0	+9.3%
Operating profit	0.42	<b>2.5</b>	+2.08	+500.6%
Ordinary profit	1.02	<b>2.2</b>	+1.08	+117.6%
Profit attributable to owners of parent	0.39	<b>1.55</b>	+1.16	+289.1%



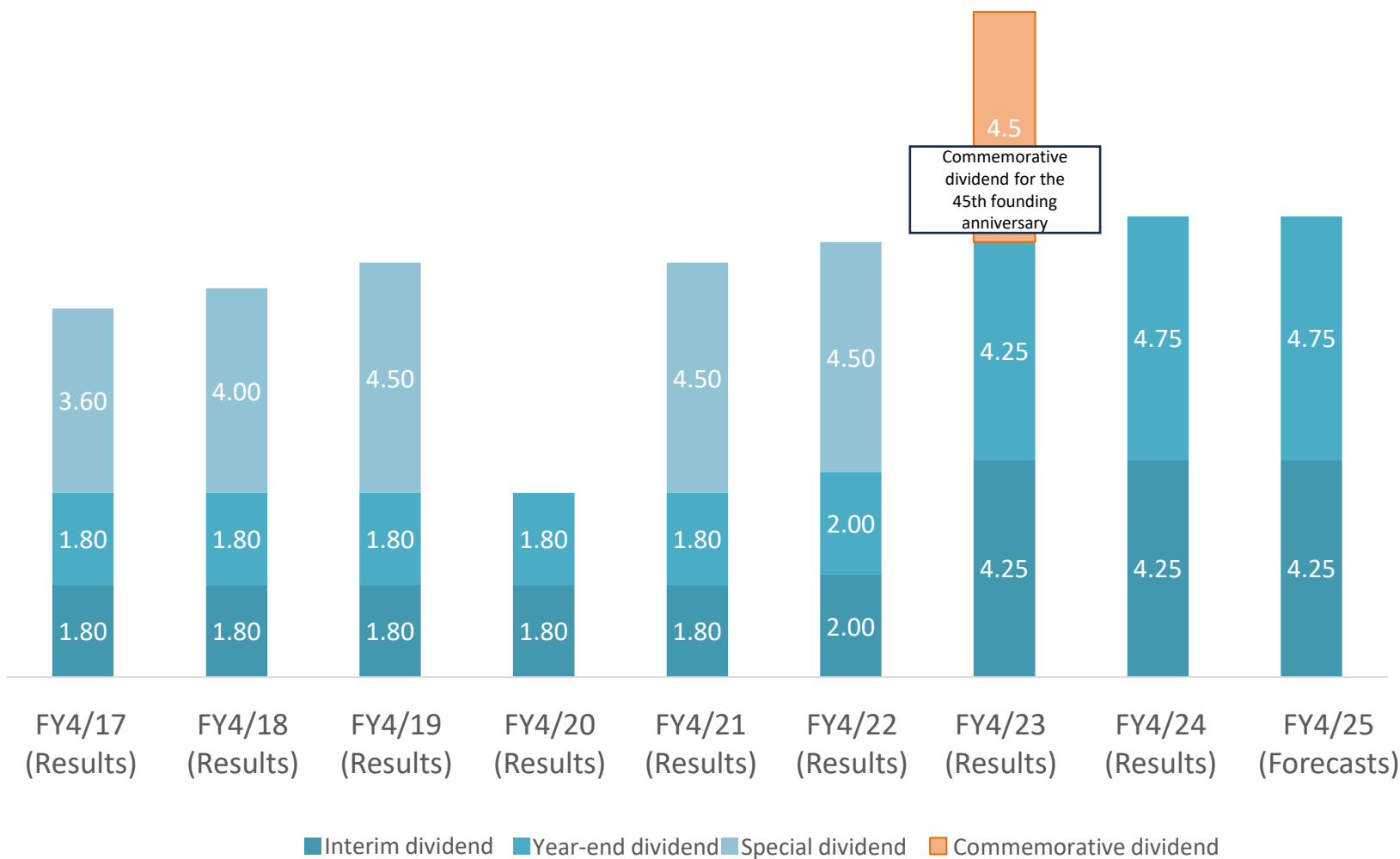
There is no change from the dividend forecasts announced on June 14, 2024.

The dividend forecast for this fiscal year is also expected to be 9.00 yen per share.  
The final amount will be determined based on factors including the full-year performance.

	FY4/25 Forecast	(Yen/per share) FY4/24 Results
Interim dividend	4.25	4.25
Year-end dividend	4.75	4.75
Total annual ordinary dividend	9.00	9.00

## ➤ Basic dividend policy

As a general rule, we pay stable, ongoing dividends every fiscal year, and the final amount will be determined by taking into account the full-year results and other factors.



Note: Dividends per share are adjusted to reflect the stock split on November 1, 2017.

- 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.
- These materials were prepared for the purpose of providing information. This is not a solicitation to purchase securities issued by YA-MAN.
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