

Results of Operations for the First Quarter of FY4/21 (Three months ended July 31, 2020)

YA-MAN LTD.

Corporate Slogan and Mission	1
Income Statement Highlights	3
Sales by Segment	4
Operating Profit by Segment	5
Composition of Sales	6
Balance Sheet Highlights	7
Upcoming Initiatives	8
Earnings Forecasts	9
Dividends	10

Corporate Slogan

A new beautiful.

The power to radiate beauty lies in every person.

We wish to help awaken that power, and create a more beautiful tomorrow.

Our history of developing professional beauty equipment began in 1978.

Since then, we have applied our technology to recreate the authentic salon experience at home, with exceptional quality that has been recognized both within Japan and worldwide.

As leading professionals of beauty, we will continue to harness revolutionary ideas and latest technologies to offer delight and inspiration for becoming even more beautiful.

Mission Statement

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

In Japan, the purchasing behavior of consumers has shifted because of the state of emergency and requests for people to stay home. Sales at physical stores are down and e-commerce and other sales are higher due to purchasing by people staying home for safety.

At the YA-MAN Group, sales in the store sales segment fell because of temporary store closings and reduced operating hours but sales increased in the mail-order sales, direct sales and overseas sales segments. As a result, first quarter sales and earnings were much higher than one year earlier.

Fiscal years	1Q FY4/19 (May 1, 2018 – July 31, 2018)	1Q FY4/20 (May 1, 2019 – July 31, 2019)	1Q FY4/21 (May 1, 2020 – July 31, 2020)	Reference FY4/20 (May 1, 2019 – April 30, 2020)
Net sales (Thousands of yen)	7,616,358	5,450,607	8,754,669	22,975,758
Operating profit (Thousands of yen)	2,242,383	750,924	1,666,370	2,504,326
Operating margin (%)	29.4	13.8	19.0	10.9
Ordinary profit (Thousands of yen)	2,254,602	649,602	1,591,403	2,310,752
Profit attributable to owners of parent (Thousands of yen)	1,423,770	365,501	961,858	1,322,586
Net income per share (Yen)	24.97	6.53	17.48	23.66

Sales by Segment

YA-MAN is aiming for sales growth in all four channels: mail-order sales, store sales, direct sales and overseas sales. In addition, the basic policy is to maintain the most suitable composition of sales in order to reflect changes in market conditions.

Mail-order sales: Sales and earnings increased as sales were higher in all channels, particularly terrestrial TV shopping channels.

Store sales: Sales and earnings declined. Wholesale sales to major home appliance stores were higher for hair removal and slimming devices, and a few other categories. However, there was a big downturn in wholesale sales to duty-free shops from one year earlier.

Direct sales: Sales and earnings increased because of a big increase in sales using the infomercial^(note) channel.

Overseas sales: Sales and earnings increased because of strong e-commerce sales in China.

Note: "Infomercial" is a combination of two words, "information" and "commercial." Infomercials first appeared as a TV shopping medium in Europe and North America.

Fiscal years	1Q FY4/19 (May 1, 2018 – July 31, 2018)	1Q FY4/20 (May 1, 2019 – July 31, 2019)	1Q FY4/21 (May 1, 2020 – July 31, 2020)	Reference FY4/20 (May 1, 2019 – April 30, 2020)
Mail-order sales (Thousands of yen)	988,928	1,297,364	1,495,516	4,418,156
Store sales (Thousands of yen)	3,227,627	1,931,080	1,451,274	6,827,885
Direct sales (Thousands of yen)	1,411,510	1,084,114	3,291,373	5,844,244
Overseas sales (Thousands of yen)	1,975,298	919,387	2,385,769	4,903,788
Other (Thousands of yen)	12,994	218,661	130,735	981,682
Total (Thousands of yen)	7,616,358	5,450,607	8,754,669	22,975,758

Operating Profit by Segment

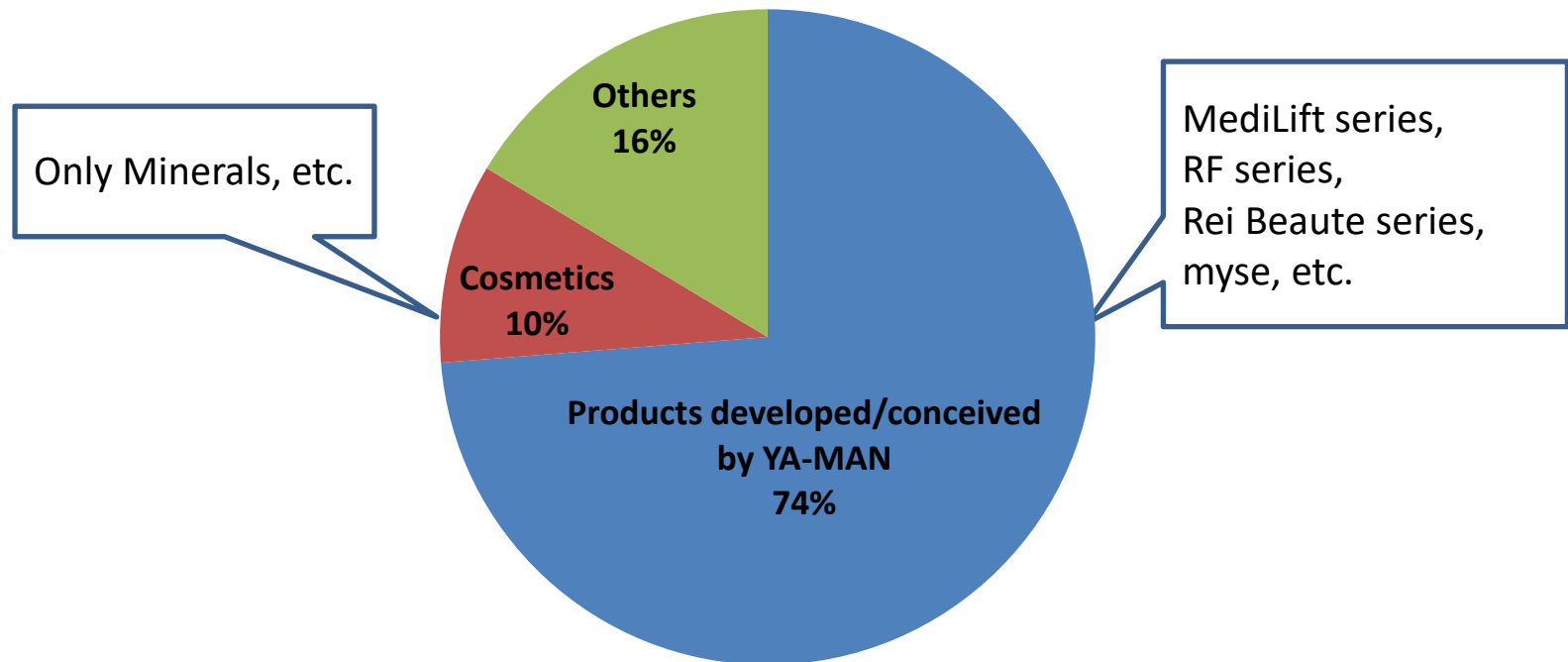
Fiscal years	1Q FY4/19 (May 1, 2018 – July 31, 2018)	1Q FY4/20 (May 1, 2019 – July 31, 2019)	1Q FY4/21 (May 1, 2020 – July 31, 2020)	Reference FY4/20 (May 1, 2019 – April 30, 2020)
Mail-order sales (Thousands of yen)	418,208	513,471	629,329	1,678,352
Store sales (Thousands of yen)	1,514,950	643,772	401,945	2,045,803
Direct sales (Thousands of yen)	625,188	486,037	1,425,873	2,131,251
Overseas sales (Thousands of yen)	959,313	256,013	839,690	1,631,437
Other (Thousands of yen)	4,430	(43,552)	(58,773)	(141,994)
Adjustment (Thousands of yen)	(1,279,707)	(1,104,816)	(1,571,694)	(4,840,524)
Total (Thousands of yen)	2,242,383	750,924	1,666,370	2,504,326

Composition of Sales

In the first quarter of FY4/21, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 74% of sales. Cosmetics were 10% of sales and other purchased products were 16%.

Sales of the RF series (radio frequency facial care devices) remained stable and there was significant growth in sales of the MediLift series of wearable facial massagers and the Rei Beaute series of optical hair removal devices.

Only Minerals and other cosmetics performed well.



Balance Sheet Highlights

YA-MAN borrowed 2.5 billion yen from banks in May 2020 in order to increase working capital. This better prepares the YA-MAN Group for any unexpected events and other challenges associated with the prolonged effects of the COVID-19 pandemic. As a result, cash and deposits and interest-bearing debt increased. Inventories, trade receivables and trade payables increased due to sales growth.

Fiscal years	1Q FY4/19 (July 31, 2018)	1Q FY4/20 (July 31, 2019)	1Q FY4/21 (July 31, 2020)	Reference FY4/20 (April 30, 2020)
Total assets (Thousands of yen)	18,654,517	16,762,057	22,955,778	17,292,977
Net assets (Thousands of yen)	12,971,349	13,082,018	14,221,786	13,361,715
Equity ratio (%)	69.5	78.0	62.0	77.3
Cash and deposits (Thousands of yen)	10,285,742	7,860,416	11,249,762	7,632,507
Trade receivables (Thousands of yen)	3,386,718	2,726,737	4,118,262	3,022,126
Inventories (Thousands of yen)	2,061,638	2,414,635	2,801,750	2,034,177
Trade payables (Thousands of yen)	2,762,216	1,224,342	3,175,538	1,622,527
Interest-bearing debt (Thousands of yen)	506,751	683,501	2,974,959	534,409

Upcoming Initiatives

COVID-19 has severely impacted the store sales segment because of temporary store closings and reduced operating hours as well as restrictions on international travel. But sales increased in the mail-order sales segment, chiefly e-commerce, direct sales and overseas sales segments.

Overall, COVID-19 had a big positive effect on first quarter performance, resulting in record-high quarterly sales.

Although we foresee no change in the business climate for the time being, we must remain vigilant during this challenging time. In the second quarter and remainder of this fiscal year, we will concentrate on creating more products that match customers' needs and on strengthening advertising and marketing activities. We are also taking steps for more sales growth in all segments that are performing well and for revitalizing the store sales segment.

Earnings Forecasts

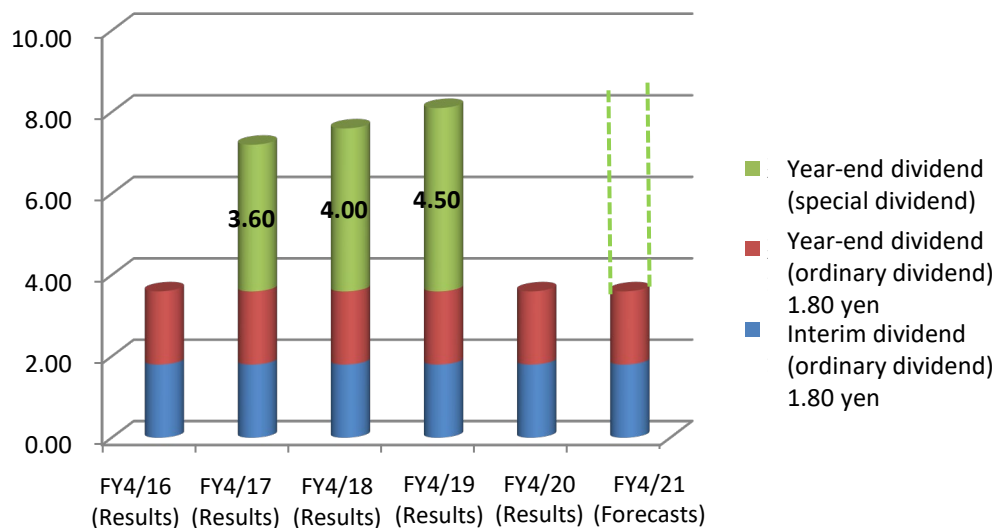
There are no revisions to the forecast announced on June 12, 2020.
An announcement will be made promptly if a forecast revision is needed.

	First Half		Full Year	
	Amount	YoY change (%)	Amount	YoY change (%)
Net sales (Thousands of yen)	13,678,288	18.8	26,000,284	13.2
Operating profit (Thousands of yen)	1,732,980	0.7	2,600,985	3.9
Ordinary profit (Thousands of yen)	1,636,342	0.1	2,407,843	4.2
Profit attributable to owners of parent (Thousands of yen)	1,038,231	9.0	1,526,314	15.4
Net income per share (Yen)	18.87	10.8	27.74	17.2

Dividends

Distributing earnings to shareholders is a key priority of YA-MAN. Our policy is to pay a stable and consistent dividend every year and to determine the dividend by taking into consideration results of operations and all other applicable factors in each fiscal year.

For FY4/21, we plan to pay interim and year-end dividends of 1.80 yen, resulting in a fiscal year dividend of 3.60 yen per share. A final decision regarding the year-end dividend will be made at the end of the fiscal year.



Note: YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Dividends per share on the right are adjusted to reflect this stock split.

- 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.
- Individuals are responsible for how information in these materials is used. YA-MAN assumes no responsibility whatsoever for any losses resulting from errors or other problems involving this information, revisions to numerical goals, or any other issue concerning the use of these materials.