

Results of Operations for the
First Half of FY4/22
(Six months ended October 31, 2021)

YA-MAN LTD.

December 14, 2021

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

➤ **Net sales: ¥20.9 billion**

Record-high first-half sales

➤ **Operating margin: 18.8%**

The margin was below the 20% target because of substantial expenditures for advertising and marketing, R&D programs and other activities. Although below the target, the operating margin remains very high.

*The average manufacturing sector operating margin is 3.6%.
(2020 Basic Survey of Japanese Business Structure and Activities,
Ministry of Economy, Trade and Industry)

(Millions of yen)

	1H FY4/20 <small>(May 1, 2019 – October 31, 2019)</small>	1H FY4/21 <small>(May 1, 2020 – October 31, 2020)</small>	1H FY4/22 <small>(May 1, 2021 – October 31, 2021)</small>	Reference FY4/21 <small>(May 1, 2020 – April 30, 2021)</small>
Net sales	11,516	18,727	20,907	36,631
Operating profit	1,721	4,026	3,925	6,116
Operating margin (%)	14.9%	21.5%	18.8%	16.7%
Ordinary profit	1,634	3,948	4,110	6,104
Profit attributable to owners of parent	952	2,354	2,796	3,727
Net income per share (Yen)	17.03	42.80	50.82	67.75

Segment Information

Topics

➤ **Store sales: Sales recovered, mainly at home appliance stores**

- Big increases in YA-MAN's share of sales in the facial care, shaver and body care product categories.
- Sales of professional brand products for beauty salons remained strong.

➤ **Direct sales: Accelerated the shift to repeat-purchase merchandise**

- Increased advertising expenditures to raise sales of repeat-purchase merchandise, which is likely to produce more stable sales than other categories do.

➤ Overseas sales: Sales continued to expand in China

- For 2021 Singles Day (November 11) sales volume and share of sales in China, YA-MAN placed first in the electronic beauty care device category for the sixth consecutive year.

*Most sales of merchandise involving Singles Day are recorded in the second quarter, although some additional orders are recorded as sales in the third quarter or afterward.

- The start of operations in Russia is going well.

Sales

(Millions of yen)

	1H FY4/20 (May 1, 2019 – October 31, 2019)	1H FY4/21 (May 1, 2020 – October 31, 2020)	1H FY4/22 (May 1, 2021 – October 31, 2021)	Reference FY4/21 (May 1, 2020 – April 30, 2021)
Mail-order sales	2,455	2,733	2,627	4,948
Store sales	4,064	3,497	4,588	7,605
Direct sales	2,258	6,657	5,557	12,059
Overseas sales	2,258	5,491	7,507	10,997
Other	479	347	625	1,019
Total	11,516	18,727	20,907	36,631

Operating Profit

(Millions of yen)

	1H FY4/20 (May 1, 2019 – October 31, 2019)	1H FY4/21 (May 1, 2020 – October 31, 2020)	1H FY4/22 (May 1, 2021 – October 31, 2021)	Reference FY4/21 (May 1, 2020 – April 30, 2021)
Mail-order sales	997	1,190	1,103	1,997
Store sales	1,471	1,017	1,406	2,003
Direct sales	931	3,011	2,791	5,982
Overseas sales	687	2,078	2,430	3,012
Other	(63)	(81)	259	(31)
Adjustment*	(2,303)	(3,189)	(4,065)	(6,847)
Total	1,721	4,026	3,925	6,116

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

Balance Sheet Highlights

Topics

➤ Increase in Inventories

- We responded quickly to the difficulty of procuring electronic components caused by the global shortage of semiconductors and have a sufficient inventory of raw materials to maintain a steady supply of products.

➤ Measures for adequate liquidity

- We are maintaining adequate liquidity for substantial advertising expenditures and the speedy and flexible implementation of strategic management measures in order to accomplish the goals of the medium-term management plan.

(Millions of yen)

	1H FY4/20 (October 31, 2019)	1H FY4/21 (October 31, 2020)	1H FY4/22 (October 31, 2021)	Reference FY4/21 (April 30, 2021)
Total assets	17,842	24,966	28,706	25,855
Net assets	13,669	15,616	19,352	16,893
Equity ratio (%)	76.6%	62.6%	67.4%	65.3%
Cash and deposits	8,938	12,733	11,800	12,957
Trade receivables	3,264	4,056	6,348	4,000
Inventories	2,178	3,234	5,347	3,692
Trade payables	1,453	3,335	3,294	2,600
Interest-bearing debt	625	2,926	2,288	2,607

Product Category Information

Topics

➤ Sales growth of products in new categories

YA-MAN's market share increased in the scalp care, steamer and other categories where achieving growth was difficult in prior years.

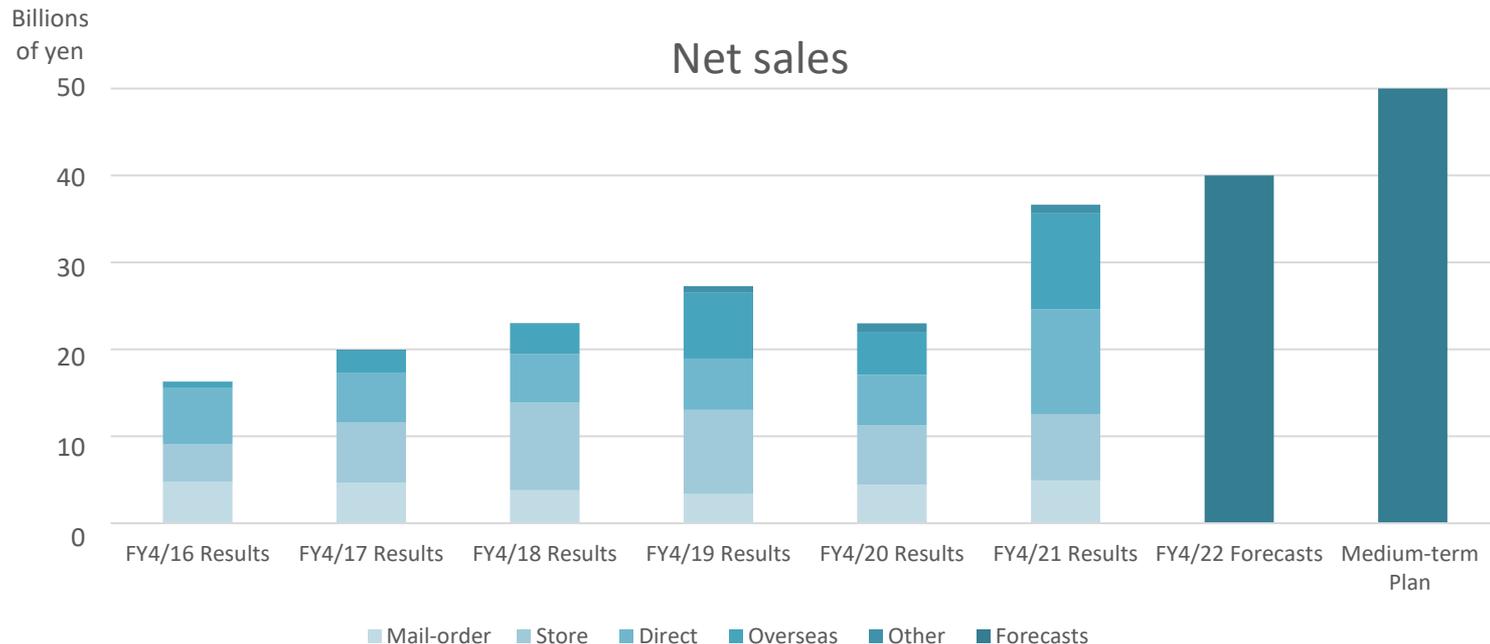
➤ Higher sales of functional cosmetics

Sales of functional cosmetics increased by linking these cosmetics with beauty care devices and targeting other synergies with these devices.

Earnings Forecasts

➤ Full-year forecasts: Net sales of ¥40 billion and operating profit of ¥6.4 billion

We are making large up-front investments for optimizing all sales channels and strengthening our infrastructure for business operations in order to achieve our goals of sales of ¥50 billion with an operating margin of 20%.



Dividend Policy

➤ **Ordinary dividend increased from ¥3.6 to ¥4.0**

Based on our policy to pay a stable and consistent dividend every year, we have paid an ordinary dividend of ¥3.6 (¥1.8 interim and year-end dividends). For FY4/22, we plan to increase the dividend to ¥4.0 (¥2.0 interim and year-end dividends).

➤ **Plan to announce our final decision regarding the year-end dividend with the announcement of FY4/22 results of operations**

A final decision for the year-end dividend will be made and announced based on FY4/22 sales and earnings and other considerations.

- 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.
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