

Results of Operations for FY4/20 (Fiscal year ended April 30, 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	12
Dividends	13

Corporate Slogan

A new beautiful.

Everyone has the power to radiate beauty.
We stimulate this power in order to make tomorrow even more beautiful.

Since our inception in 1978, we have supplied beauty equipment for aesthetic salons. We used these advanced technologies to create full-fledged aesthetic products for the home too. Outstanding quality makes our products popular in Japan and around the world.

We will remain beauty professionals at the forefront of progress, using innovative technologies and ideas that redefine common sense in order to be a source of dreams and surprises for “a new 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, consistently firm domestic demand was not enough to offset the decline in demand from foreign tourists. In addition, COVID-19 had a significant negative effect on sales. As a result, consolidated net sales were lower than in the previous year.

In the direct sales segment, advertising expenses were the same as in the previous fiscal year mainly due to the greater use of infomercials and TV commercials to make the YA-MAN brand more widely recognized. As a result, earnings in this segment also decreased.

Fiscal years	FY4/16 <small>(May 1, 2015 – April 30, 2016)</small>	FY4/17 <small>(May 1, 2016 – April 30, 2017)</small>	FY4/18 <small>(May 1, 2017 – April 30, 2018)</small>	FY4/19 <small>(May 1, 2018 – April 30, 2019)</small>	FY4/20 <small>(May 1, 2019 – April 30, 2020)</small>
Net sales (Thousands of yen)	16,310,824	19,969,588	23,030,230	27,252,371	22,975,758
Operating profit (Thousands of yen)	1,028,422	3,503,274	5,385,662	5,705,084	2,504,326
Operating margin (%)	6.3	17.5	23.4	20.9	10.9
Ordinary profit (Thousands of yen)	1,002,211	3,533,869	5,345,643	5,715,275	2,310,752
Profit attributable to owners of parent (Thousands of yen)	591,524	2,269,042	3,399,819	3,539,647	1,322,586
Net income per share (Yen)	10.16	39.79	59.62	62.65	23.66

Note: YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Net income per share is calculated as if this stock split had taken place at the beginning of FY4/16.

Sales by Segment

Although sales to customers in Japan remained firm, sales to foreign tourists in Japan, chiefly at duty-free shops, were lower because of sluggish demand in store sales. Furthermore, temporary closings of stores and international travel restrictions due to COVID-19 had a severe negative impact on sales.

As consumer spending associated with the need to stay at home has been consistently strong in Japan, sales in the fourth quarter of the current fiscal year were higher in both the mail-order sales and the direct sales segments.

In the overseas sales segment, sales have been slow throughout the fiscal year in South Korea and Hong Kong because of persistent instability. On the other hand, sales in China increased year on year as online sales in China have been very strong.

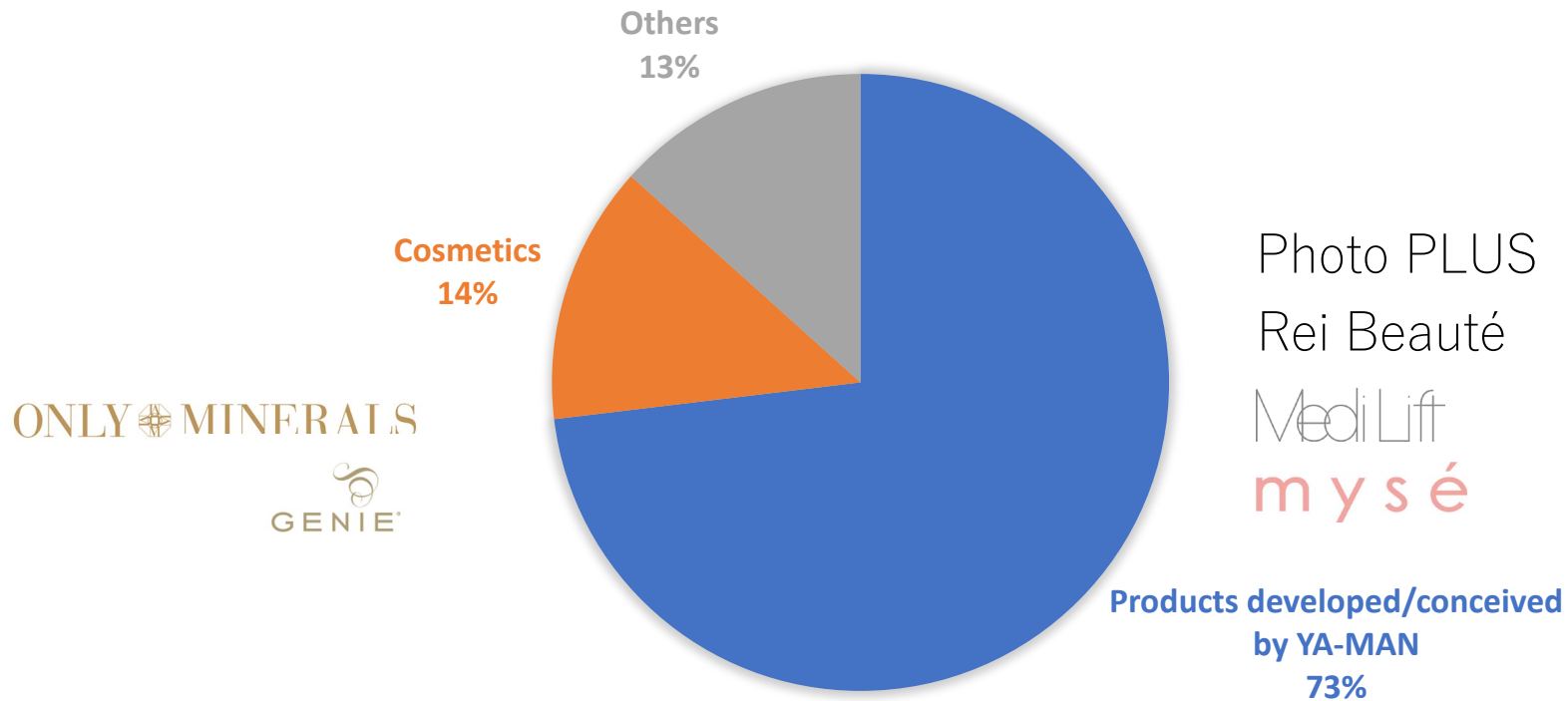
Fiscal years	FY4/16 (May 1, 2015 – April 30, 2016)	FY4/17 (May 1, 2016 – April 30, 2017)	FY4/18 (May 1, 2017 – April 30, 2018)	FY4/19 (May 1, 2018 – April 30, 2019)	FY4/20 (May 1, 2019 – April 30, 2020)
Mail-order sales (Thousands of yen)	4,770,882	4,662,885	3,816,292	3,383,094	4,418,156
Store sales (Thousands of yen)	4,364,668	6,909,317	10,058,901	9,644,014	6,827,885
Direct sales (Thousands of yen)	6,406,546	5,759,948	5,572,722	5,914,429	5,844,244
Overseas sales (Thousands of yen)	749,358	2,511,577	3,510,910	7,545,161	4,903,788
Other (Thousands of yen)	19,368	125,859	71,405	765,671	981,682
Total (Thousands of yen)	16,310,824	19,969,588	23,030,230	27,252,371	22,975,758

Operating Profit by Segment

Fiscal years	FY4/16 (May 1, 2015 – April 30, 2016)	FY4/17 (May 1, 2016 – April 30, 2017)	FY4/18 (May 1, 2017 – April 30, 2018)	FY4/19 (May 1, 2018 – April 30, 2019)	FY4/19 (May 1, 2019 – April 30, 2020)
Mail-order sales (Thousands of yen)	1,367,639	1,967,743	1,514,283	1,407,829	1,678,352
Store sales (Thousands of yen)	1,393,114	3,091,513	4,460,629	3,687,255	2,045,803
Direct sales (Thousands of yen)	1,546,331	1,588,001	2,068,770	2,740,345	2,131,251
Overseas sales (Thousands of yen)	107,747	581,259	1,354,709	3,353,396	1,631,437
Other (Thousands of yen)	1,747	43,439	16,272	(20,839)	(141,994)
Adjustment (Thousands of yen)	(3,388,157)	(3,768,682)	(4,029,002)	(5,462,902)	(4,840,524)
Total (Thousands of yen)	1,028,422	3,503,274	5,385,662	5,705,084	2,504,326

Composition of Sales

In FY4/20, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 73% of sales. Cosmetics were 14% of sales and other purchased products were 13%.



Balance Sheet Highlights

Cash and deposits decreased mainly because of purchases of related company stock and treasury stock. To increase working capital in order to be prepared for challenges created by the COVID-19 crisis, YA-MAN borrowed 2.5 billion yen from banks in May 2020.

Fiscal years	FY4/16 (April 30, 2016)	FY4/17 (April 30, 2017)	FY4/18 (April 30, 2018)	FY4/19 (April 30, 2019)	FY4/20 (April 30, 2020)
Total assets (Thousands of yen)	11,373,593	13,947,032	16,524,115	17,959,780	17,292,977
Net assets (Thousands of yen)	6,817,278	8,884,938	11,877,492	13,072,242	13,361,715
Equity ratio (%)	59.9	63.7	71.9	72.8	77.3
Cash and deposits (Thousands of yen)	5,813,824	8,460,290	10,168,850	8,133,532	7,632,507
Notes and accounts receivable-trade (Thousands of yen)	1,898,257	2,347,827	2,580,729	3,394,343	3,022,126
Inventories (Thousands of yen)	1,793,573	1,285,957	1,408,659	2,284,919	2,034,177
Notes and accounts payable-trade (Thousands of yen)	1,194,229	1,241,352	1,124,343	1,414,620	1,622,527
Interest-bearing debt (Thousands of yen)	1,593,538	1,096,318	632,365	583,395	534,409

Upcoming Initiatives

Temporary store closings, international travel restrictions and other effects of the COVID-19 pandemic are currently holding down the performance of the YA-MAN Group. In particular, sales in the store sales segment are down sharply, particularly at duty-free stores in Japan, coupled with stagnant inbound demand.

As consumer spending associated with the need to stay at home has been consistently strong, sales in the fourth quarter of the current fiscal year were higher in both the mail-order sales and the direct sales segments.

YA-MAN plans to strengthen online sales operations because we believe that ongoing changes in consumption patterns will continue.

In overseas sales segment, sales have been slow throughout the fiscal year in South Korea and Hong Kong, where instability is continuing. However, online sales remained strong in China, just as in Japan. We plan to continue increasing sales in China by combining new products that match customers' needs with heightened advertising activities.

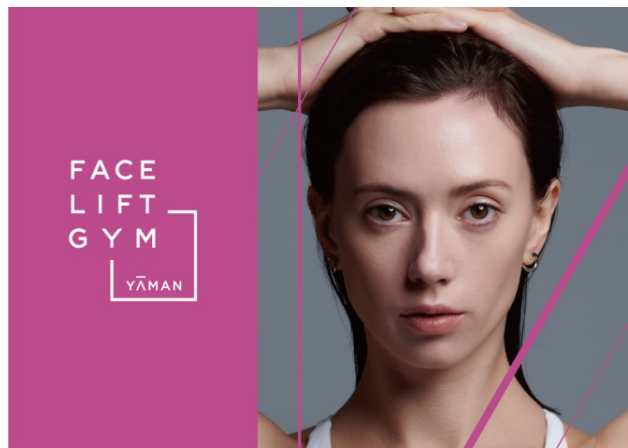
Another initiative is optimizing all sales channels: mail-order, store, direct and overseas. There are also many activities for building a supply chain that can adapt to changes in the business climate and for using teleworking and other working styles to provide many ways for people to do their jobs.

YA-MAN will continue to use extensive advertising activities centered on brands and take steps to upgrade Face Lift Gym and other services that are experiences. Our objective is to become "a global brand company based in Japan."

- Further raise awareness of the core YA-MAN TOKYO JAPAN brand
- Stepped up marketing activities including TV commercials featuring actor Shinji Takeda



- Establish and expand the new Face Lift Gym business (face fitness centers)



- Introduced new merchandise for growth brands
- Reinforced customer relationship management mainly for brands used for repeat-purchase merchandise
- Enlarge sales channels for the growth of global brands

BRANDS

YĀMAN
TOKYO JAPAN

PROFESSIONAL
YĀMAN

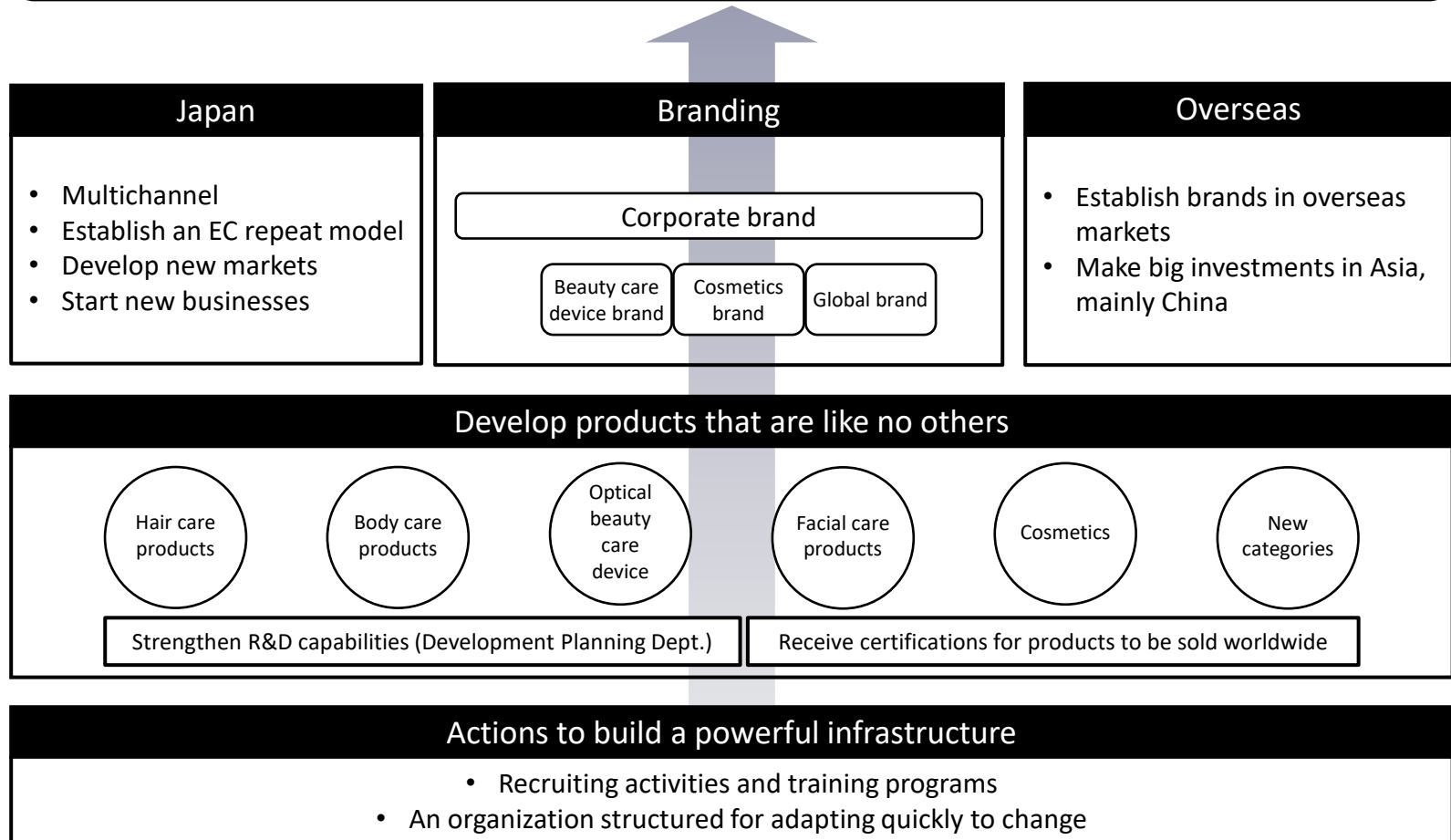
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ONLY MINERALS

MINERAL air

FACE
LIFT
GYM
YĀMAN

Global brand company based in Japan



Earnings Forecasts

We believe that COVID-19 will continue to affect sales and earnings for the time being. We will optimize each one of our sales channels while continuing to strengthen advertising activities and customer services. In FY4/21, the YA-MAN Group will continue to make substantial investments aimed at growth in the future while focusing on the goals of sales recovery and raising the operating margin to 10%.

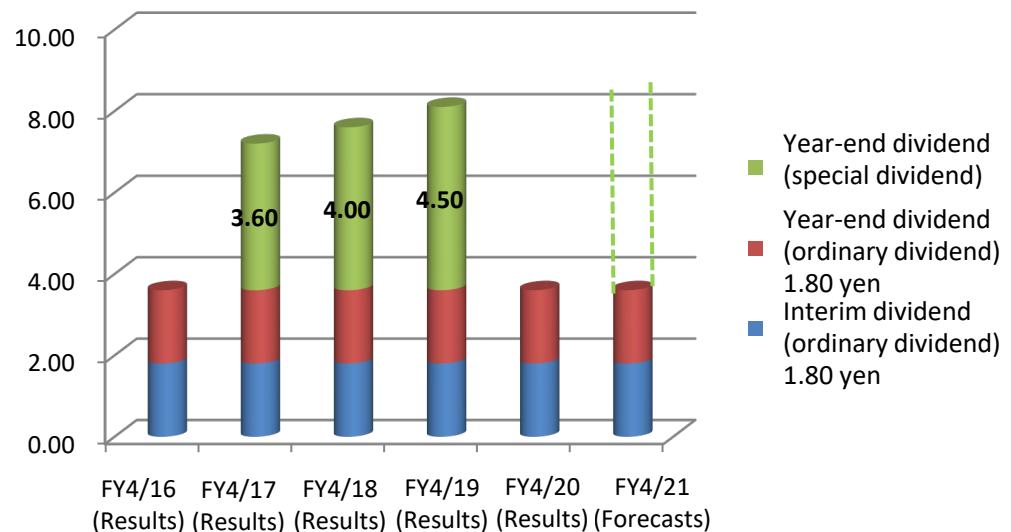
	First Half (May 2020- October 2020)		Full Year (May 2020 - April 2021)	
	Amount	YoY change (%)	Amount	YoY change (%)
Net sales (Thousands of yen)	13,678,288	18.8	26,000,284	13.2
Operating profit (Thousands of yen)	1,732,980	0.7	2,600,985	3.9
Ordinary profit (Thousands of yen)	1,636,342	0.1	2,407,843	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 FY4/20, due to the level of earnings and the uncertain outlook, the year-end dividend is 1.80 yen, resulting in a fiscal year dividend of 3.60 yen per share.

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.