

Results of Operations for FY4/21 (Fiscal year ended April 30, 2021)

YA-MAN LTD.

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.

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Income Statement Highlights

The COVID-19 crisis had a wide range of effects on economic and social activity during FY4/21. However, sales of the YA-MAN Group have increased significantly, mainly in the direct sales and overseas operations segments, because people have shifted their purchases from physical stores to other channels, primarily e-commerce, due to the COVID-19 crisis.

Results of operations were much stronger than one year earlier, resulting in record-high sales and earnings. This performance demonstrates the ability of our large and diverse lineup of products with outstanding functions to earn the support of customers. Another reason is the diversification of risk exposure resulting from many years of activities to establish numerous sales channels.

Fiscal years	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)	FY4/21 (May 1, 2020 – April 30, 2021)
Net sales (Thousands of yen)	19,969,588	23,030,230	27,252,371	22,975,758	36,631,026
Operating profit (Thousands of yen)	3,503,274	5,385,662	5,705,084	2,504,326	6,116,800
Operating margin (%)	17.5	23.4	20.9	10.9	16.7
Ordinary profit (Thousands of yen)	3,533,869	5,345,643	5,715,275	2,310,752	6,104,957
Profit attributable to owners of parent (Thousands of yen)	2,269,042	3,399,819	3,539,647	1,322,586	3,727,926
Net income per share (Yen)	39.79	59.62	62.65	23.66	67.75

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 FY4/17.

Sales by Segment

In the direct sales segment, there was a big increase in e-commerce sales, mainly through the YA-MAN direct sales website and online shopping mall. Sales in the overseas operations segment were also much higher because of very strong e-commerce sales in China, mainly through T-mall.

In the store sales segment, sales increased as operations were focused mainly on domestic customers because sales to overseas customers, primarily at duty-free stores, were down to almost a standstill.

The mail-order sales segment achieved sales growth mainly due to sales via terrestrial TV shopping channels.

Fiscal years	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)	FY4/21 (May 1, 2020 – April 30, 2021)
Mail-order sales (Thousands of yen)	4,662,885	3,816,292	3,383,094	4,418,156	4,948,139
Store sales (Thousands of yen)	6,909,317	10,058,901	9,644,014	6,827,885	7,605,477
Direct sales (Thousands of yen)	5,759,948	5,572,722	5,914,429	5,844,244	12,059,489
Overseas operations (Thousands of yen)	2,511,577	3,510,910	7,545,161	4,903,788	10,997,975
Other (Thousands of yen)	125,859	71,405	765,671	981,682	1,019,944
Total (Thousands of yen)	19,969,588	23,030,230	27,252,371	22,975,758	36,631,026

Operating Profit by Segment

Fiscal years	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)	FY4/21 (May 1, 2020 – April 30, 2021)
Mail-order sales (Thousands of yen)	1,967,743	1,514,283	1,407,829	1,678,352	1,997,879
Store sales (Thousands of yen)	3,091,513	4,460,629	3,687,255	2,045,803	2,003,063
Direct sales (Thousands of yen)	1,588,001	2,068,770	2,740,345	2,131,251	5,982,630
Overseas operations (Thousands of yen)	581,259	1,354,709	3,353,396	1,631,437	3,012,776
Other (Thousands of yen)	43,439	16,272	(20,839)	(141,994)	(31,843)
Adjustment (Thousands of yen)	(3,768,682)	(4,029,002)	(5,462,902)	(4,840,524)	(6,847,705)
Total (Thousands of yen)	3,503,274	5,385,662	5,705,084	2,504,326	6,116,800

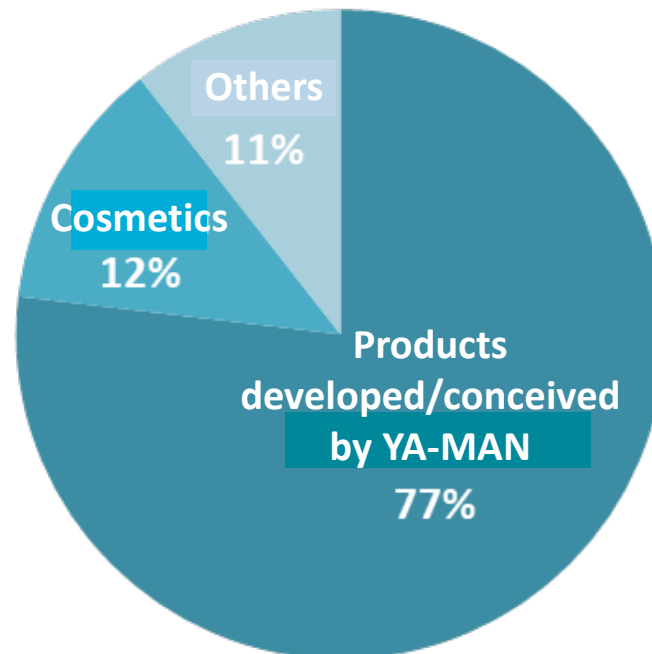
Note: Adjustments to segment profit are mainly administrative, product development and other expenses included in selling, general and administrative expenses that do not belong to a single business segment.

Composition of Sales

In FY4/21, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 77% of sales. Cosmetics were 12% of sales and other purchased products were 11%.

Among products developed and manufactured by YA-MAN, radio frequency facial care devices, optical beauty devices, MediLift wearable beauty devices, and a recently launched steamer, which are all YA-MAN TOKYO JAPAN branded products, posted strong sales. MYSE branded products also performed well.

In the cosmetics category, Only Minerals, Flawless Serum and other cosmetics that can be used with facial care devices, and 3D Micro Filler contributed to sales growth.



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 also increased due to sales growth.

Fiscal years	FY4/17 (April 30, 2017)	FY4/18 (April 30, 2018)	FY4/19 (April 30, 2019)	FY4/20 (April 30, 2020)	FY4/21 (April 30, 2021)
Total assets (Thousands of yen)	13,947,032	16,524,115	17,959,780	17,292,977	25,855,511
Net assets (Thousands of yen)	8,884,938	11,877,492	13,072,242	13,361,715	16,893,058
Equity ratio (%)	63.7	71.9	72.8	77.3	65.3
Cash and deposits (Thousands of yen)	8,460,290	10,168,850	8,133,532	7,632,507	12,957,641
Trade receivables (Thousands of yen)	2,347,827	2,580,729	3,394,343	3,022,126	4,000,909
Inventories (Thousands of yen)	1,285,957	1,408,659	2,284,919	2,034,177	3,692,334
Trade payables (Thousands of yen)	1,241,352	1,124,343	1,414,620	1,622,527	2,600,220
Interest-bearing debt (Thousands of yen)	1,096,318	632,365	583,395	534,409	2,607,689

Activities to Achieve the Medium-term Plan Goals

The YA-MAN Group's medium-term management plan announced in November 2020 has the milestone of sales of 50 billion yen and an operating margin of 20%. Activities to achieve these milestones are placing priority on the following initiatives.

1. Strengthen R&D activities

By basing all R&D activities on the YA-MAN spirit "A new beautiful," we will continue to create original and innovative products. To accomplish this goal, strengthening R&D activities is one of our highest priorities. We will develop products that change how people perceive beauty care. We also plan to assign more people to measuring the effectiveness, confirming safety and managing the quality of new products as well as to build a sound infrastructure for these operations.

2. Corporate branding

In addition to activities to support brands used for individual products and product categories, we plan to conduct global activities for increasing awareness of the YA-MAN corporate brand. One way is by increasing advertising activities that give people a better perception of YA-MAN. Plans also include new services such as a facial expression line research center, Face Lift Gym and live commerce. Another aspect of corporate branding is fully utilizing women and people from countries other than Japan in the YA-MAN workforce and using many environmental activities.

3. Businesses that use the convergence of beauty care devices and cosmetics

We plan to increase emphasis on the planning and development of cosmetics used with beauty care devices in order to increase effectiveness and of products that incorporate both beauty care devices and cosmetics.

Developing these types of products is expected to increase the number of repeat users of YA-MAN cosmetics, resulting in consistent sales. Strengthening activities involving the convergence of beauty care devices and cosmetics is also expected to differentiate YA-MAN products from those of competitors.

Earnings Forecasts

Although the COVID-19 is having a severe impact on the global economy, the YA-MAN Group views the resulting shifts in customers' consumption patterns as business opportunities. Our goals are to continue upgrading services for customers, create new markets and identify new needs. All these measures are aimed at making YA-MAN a global brand company based in Japan.

In FY4/22, we plan to make substantial investments, primarily for R&D programs and advertising and marketing activities in order to increase sales. As a result, although we forecast first half earnings to be less than in the first half of FY4/21, we expect that fiscal year sales and earnings will increase.

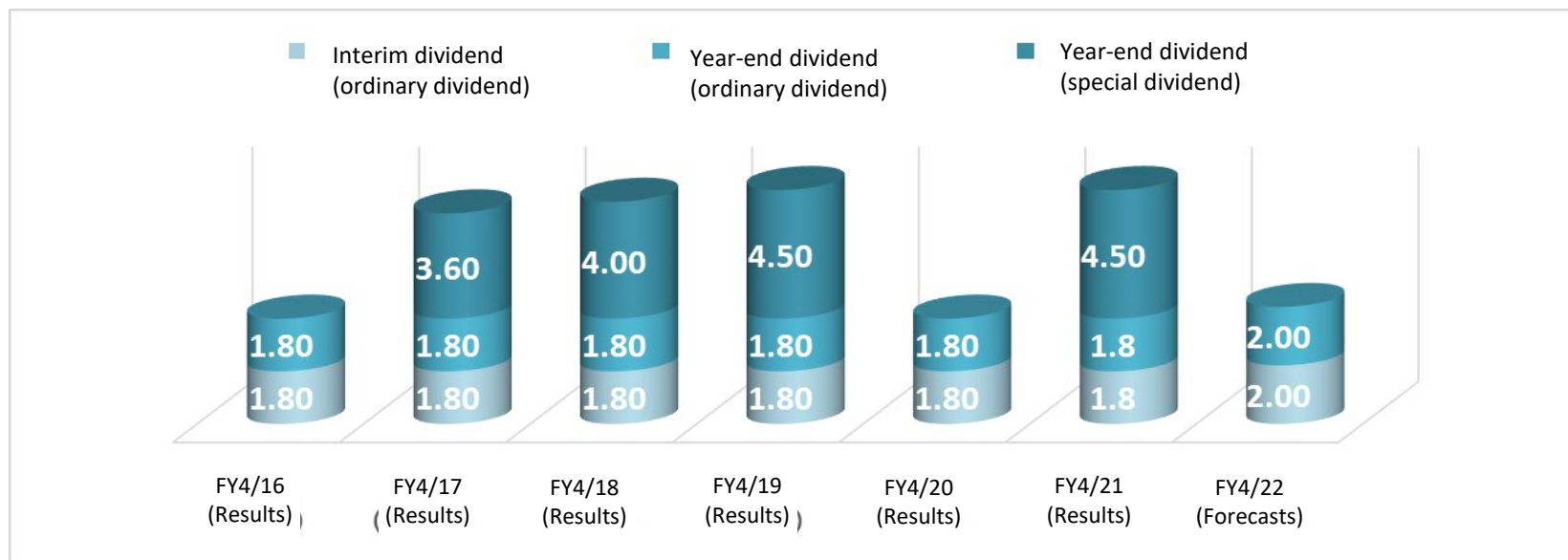
	First Half (May 2021- October 2021)		Full Year (May 2021 - April 2022)	
	Amount	YoY change (%)	Amount	YoY change (%)
Net sales (Thousands of yen)	20,299,658	8.4	40,000,878	9.2
Operating profit (Thousands of yen)	3,024,998	(24.9)	6,400,860	4.6
Ordinary profit (Thousands of yen)	2,933,598	(25.7)	6,218,561	1.9
Profit attributable to owners of parent (Thousands of yen)	2,031,167	(13.7)	4,306,112	15.5
Net income per share (Yen)	36.92	-	78.26	-

Dividends

Due to the all-time high sales and earnings in FY4/21, the year-end dividend has been increased from the original forecast of 1.80 yen per share to 6.30 yen by adding a special dividend of 4.50 yen to distribute more earnings to shareholders.

Our policy is to pay a stable and consistent dividend every year. The dividend for each fiscal year is determined by taking into consideration results of operations and the dividend payout ratio as well as the need for investments for future sales growth and retained earnings to increase financial soundness.

In accordance with this policy, the dividend forecast for FY4/22 is 4.00 yen per share, the sum of 2.00 yen interim and year-end dividends.



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

Shareholder Benefits

Shareholders will receive a discount coupon that is valid on the YA-MAN Online Store. The amount of the discount will depend on the number of shares held and the holding period with a record date of April 30, 2021.

Shareholders will receive discount coupons with the notice of the results of the Annual General Meeting of Shareholders or other documents concerning the end of the fiscal year after the Annual General Meeting of Shareholders. Be certain to check envelopes with shareholder meeting documents for the discount coupon.

The objective of this shareholder benefit program is to make shareholders more aware of YA-MAN Group products, increase the number of YA-MAN fans and continue to receive the support of shareholders.

We will continue to examine this program while reflecting feedback from shareholders in order to maximize its effectiveness.

Number of shares held	Holding period			
	Less than 1 year	1 year to less than 2 years	2 years to less than 5 years	5 years or more
100 shares to less than 500 shares	5,000 yen	7,000 yen	10,000 yen	13,000 yen
500 shares or more	14,000 yen	17,000 yen	20,000 yen	23,000 yen

Note: Shareholders receive one coupon with the applicable amount shown in the above table.

- 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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