

November 17, 2020

For Immediate Release

Company Name: YA-MAN LTD.  
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### Notification Regarding Revisions of Earnings Forecast and Recording of Extraordinary Loss (Forecast)

At a meeting of the Board of Directors held on November 17, 2020, the Company decided to revise the earnings forecast for the fiscal year ending April 30, 2021 (May 1, 2020 to April 30, 2021), which was disclosed at the announcement of the financial results for the fiscal year ending April 30, 2020 on June 12, based on the recent business trends.

1. Revisions of Consolidated Earnings Forecast for the Second Quarter of the Fiscal Year Ending April 30, 2021 (May 1, 2020 - October 31, 2020)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	13,678	1,732	1,636	1,038	18.87 yen
Revised forecast (B)	18,727	4,026	3,953	2,354	42.80 yen
Change (B-A)	5,049	2,293	2,316	1,316	
% Change	36.9	132.3	141.6	126.8	
(Reference) Results for the six months of the previous fiscal year (For the six months of the fiscal year ending April 30, 2020)	11,516	1,721	1,634	952	17.03 yen

2. Revisions of Full-year Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2021 (May 1, 2020 - April 30, 2021)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	26,000	2,600	2,407	1,526	27.74 yen
Revised forecast (B)	35,000	5,800	5,631	3,420	62.17 yen
Change (B-A)	9,000	3,199	3,223	1,894	
% Change	34.6	123.0	133.9	124.1	
(Reference) Results for the previous fiscal year (Fiscal year ended April 30, 2020)	22,975	2,504	2,310	1,322	23.66 yen

### 3. Reason for Revisions

As a result of the declaration of an emergency situation in response to the spread of COVID-19 and the subsequent refraining from going outdoors, sales of physical stores declined. At the same time, there were other changes in consumer behavior. As a result of nest-dweller consumption, mail-order sales, mainly through e-commerce, increased sales.

Although the category of beauty and health care devices was extremely favorable due to the long time spent at home, sales in the infomercial and EC-centered direct sales segment increased more than we had expected at the beginning of the fiscal year. This was due to the fact that our diverse product lineup matched customer needs, the diversification of sales channels that we have worked on for many years helped with diversification of risks, and the success of capturing demand through the special cash payment effect. Also, sales in the mail-order sales segment, which is engaged in the wholesale of terrestrial TV stations, were solid.

Although inbound demand from visitors to Japan declined due to global travel restrictions, mail-order sales through e-commerce sites such as T-mall and JD.com performed well in China as well as in Japan.

In cooperation with local distributors, we distributed live commerce in T-mall to provide detailed explanations of product functions and technologies, and strengthened sales promotion through real communication with viewers. As a result of these efforts, we have improved our branding and sales structure even more than we had expected at the beginning of the fiscal year. As a result, sales in overseas sales segment were significantly higher than initially expected.

In China, on November 11, 2020, known as “Single’s Day,” the world’s largest internet sales day, we renewed our record sales in the facial care devices category on the same day in 2019, which was the highest on record, and ranked first in terms of sales result and sales share of electronic beauty care devices division (\*) for the fifth consecutive year.

In the top 10 imported brands purchased by Chinese consumers, including the world’s largest companies, our company ranked number 1 and in “Brand Of One Hundred Million Yuan”, where sales exceeded one hundred million yuan in one day, we were the only store listed in the facial care devices category for 3 consecutive years. At the same time, the only single store listed in the facial care devices category for 2 consecutive years with sales exceeding one hundred million yuan was the “YA-MAN flagship store.”

Based on these results, the consolidated results for the second quarter (cumulative) and the full-year of the fiscal year ending April 30, 2021, both net sales and profits are expected to exceed the previous forecast and the consolidated results for the full-year are expected to be the highest ever.

For the acquisition of business from "D-FIT Co., Ltd.", a consolidated subsidiary, and the loss related to the dissolution of the Company as disclosed on October 19, 2020, the current estimated amount of 485 million yen will be reflected and treated as an extraordinary loss in the second quarter (cumulative) and full-year consolidated earnings forecast.

(\*) Electronic beauty care devices division = includes facial care devices, beauty rollers, body care devices, hair removal devices, and steamers.

### 4. Future Initiatives

As a result of significant changes in consumer behavior due to the spread of COVID-19, we were able to significantly increase sales in the first half of the fiscal year.

However, the business environment surrounding the Company is still in the process of change with consumption of the special cash payment finishing and growth in mail-order consumption has slowed due to the effects of “GO TO TRAVEL” and “GO TO EAT.”

Against this backdrop, we plan to go more aggressively compared to the first half year and allocate management resources to investment in R&D, advertising, and other areas that will lead to future sales, while expanding and optimizing its mail-order, store sales, direct sales, and overseas sales channels.

As for R& D, we will enhance our own R& D departments with the aim of creating new categories for the future. We will also focus on joint R& D with external research institutions in Japan and overseas.

As a global brand, we are committed to maintaining and improving our quality management system so that our customers in Japan and overseas can purchase products with greater confidence.

As for advertising, we will actively promote TV commercials, traffic advertisements, and EC-related advertisements, and strengthen our efforts to raise awareness of the YA-MAN brand from a long-term perspective as well as individual products.

At the same time, we are also working to discover new brands in Japan and overseas that can be developed as general agents and to promote marketing research.

Although we are in a very difficult environment with the third wave of COVID-19 spreading, we will continue to examine investment opportunities to enhance corporate value, such as M&A and capital alliances, and aim to achieve further growth in net sales and 20% operating margin as a global brand company YA-MAN.

[Reference]

