



YĀMAN

YA-MAN LTD. TSE Prime Market: 6630

Going Global Strategy

Medium-Term Management Plan 2023
(May 2023 – April 2028)

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Company Overview (As of April 30, 2023)

Company name	YA-MAN LTD.
Head office	Shingu Building, 2-4-2 Toyo, Koto-ku
Date of establishment	May 27, 1978
President and representative director	Kimiyo Yamazaki
Capitalization	1,813 million yen
Performance	Net Sales 42,996 million yen Operating Profit 6,134 million yen (FY4/23)
Stock code and listed exchange	6630, Tokyo Stock Exchange Prime Market
Group companies	3 consolidated subsidiaries and 2 affiliated companies
Number of employees	376 employees (consolidated) *Excluding temporary employees that are dispatched, etc.
Main business activities	R&D, manufacturing, and import/export sales of beauty/health devices Import/export sales of cosmetics

Corporate Slogan**A new beautiful.****Philosophy****Redefining the concept of beauty****Credo**

- 1. Recognize value to create meaning**
- 2. Embrace original thinking**
- 3. Respond fast to ideas as opportunities**
- 4. See the customers perspective as your guide**
- 5. Collaborate to bring out our best**

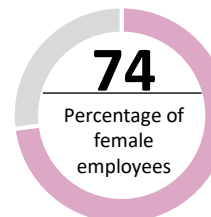
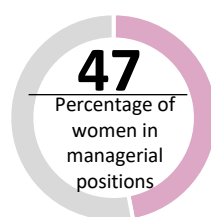
Embrace Original Thinking

Creativity and applied technology to reduce the size of technology for businesses for household use

320 patents acquired

Respond Fast to Ideas as Opportunities

Diverse ideas, opinions, speedy decision-making and execution



See the Customers Perspective as Your Guide

Accurate understanding of needs through new product planning in which both the development and sales divisions are integrated



Fuji Keizai Co., Ltd. "Marketing Trend Data for Beauty Appliances / Health Appliances 2020" (performance for 2018-2019) and "Marketing Trend Data for Popular Home-care Facial Beauty Device in the New Normal" (performance for 2020-2021)

**Recognize value to create meaning
Collaborate to bring out our best**

Being a fables company enables fast and efficient manufacturing of various products with small quantity

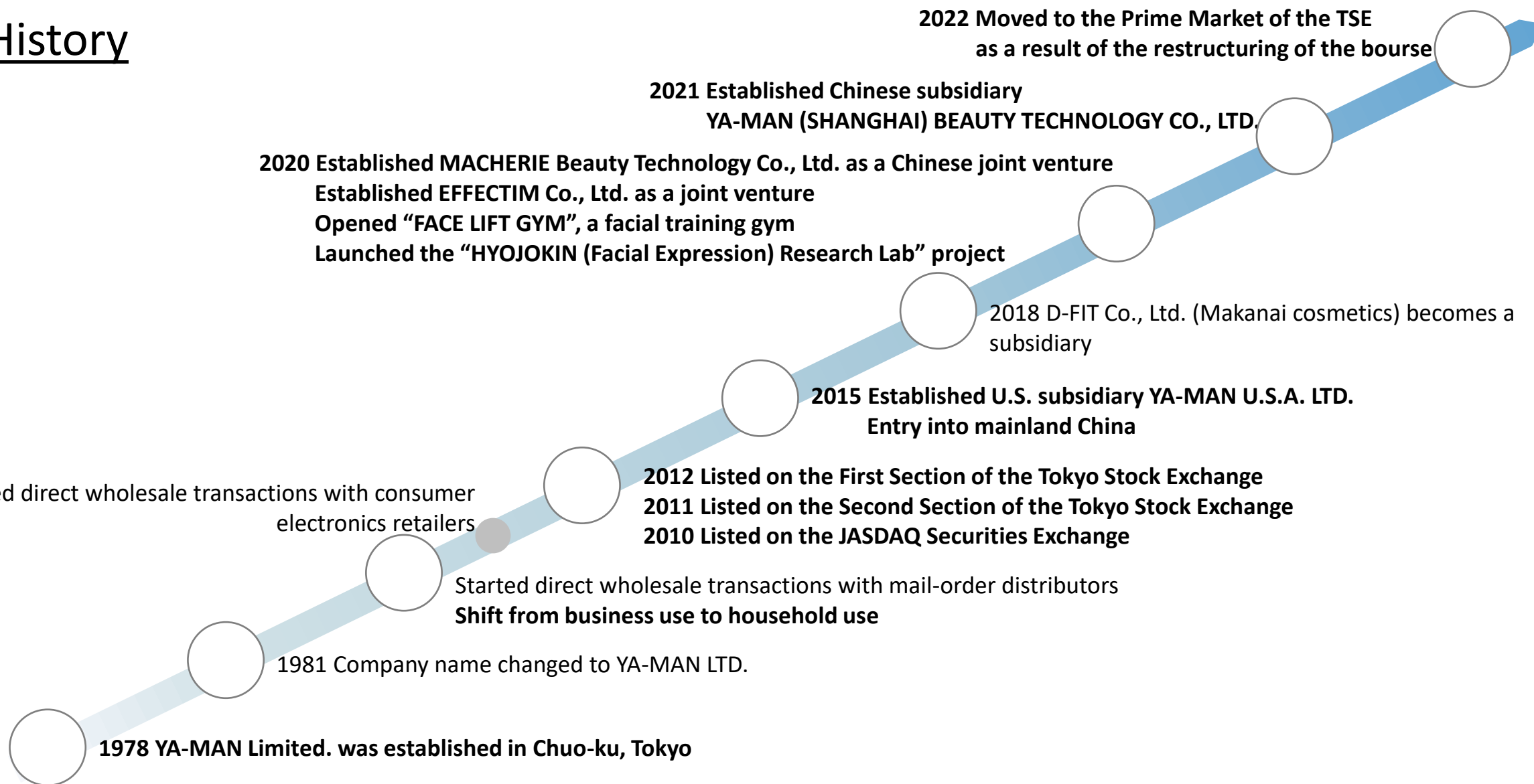


Creating a blue ocean market to sell products



Continuous profitable management & Realization of efficient management

History



Part 1: Reviewing Medium-Term Management Plan 2020

1. Overview

2. Changes in Net Sales

3. Net Sales by Segment

4. Key Management Indicators

1. Overview

What we have achieved

- **Continuous creation of own products**
 - 16 models of products developed and released in FY4/23
HOT SHAVE, Rei Beauté Hyper ZERO, Bloom 5, Smooth Iron Photo Ion, etc.
- **Enhancement of business operations**
 - Replaced core business systems
 - Expanded the Global Service Center
- **Global expansion**
 - Increased the ratio of overseas sales
- **Strengthened branding**
 - Strengthened our brand foundations through aggressive investment in advertising, including corporate commercials as well as those for individual brands

Challenges

- **Creation of new categories**
 - Despite the creation of new categories such as hair care and shavers, we are still in the process of growth and did not achieve our sales expansion target.
- **Achievement of key KPIs (sales and operating margin)**
 - Store sales and direct sales fell short of the targets
 - Decrease in gross profit margin due to rising raw material prices
- **Acquisition of certification for household medical devices and pharmaceutical approval in overseas markets**
 - Delayed due to the delay in clinical trials as a result of the COVID-19 pandemic
- **Expansion of sales of cosmetics, products for repeat sales,**
 - Strove to increase cosmetic sales ratio by pairing cosmetic products with beauty devices but failed to achieve the target

The “creation of new categories,” “achievement of key KPIs,” “acquisition of certification for household medical devices and pharmaceutical approval,” and “expansion of sales of cosmetics, products for repeat sales” remain to be challenges.

Investments for 2020-2023

Global expansion

2020
Established
MACHERIE
Beauty
Technology
Co., Ltd. as a
joint
venture

2020
Established
EFFECTIM Co.,
Ltd. as a joint
venture

2021
Established
YA-MAN
(SHANGHAI)
BEAUTY
TECHNOLOGY
CO., LTD.

2022
Became a
“Billion Yuan
Brand” for the
5th consecutive
year for sales
on T-mall on
“Singles Day” in
China

Expansion of new service stores and sales channels in Japan

2020
Opened the FACE LIFT GYM, a
service business



2020
Launched distribution of live
commerce



Development of new technologies and creation of new categories

2020
Launched the
HYOJOKIN
(Facial
Expression)
Research Lab

2020
Began joint
research on
new
technologies
with external
organizations

2021
Research paper
published
-Effects of a beauty
device
simultaneously
delivering
radiofrequency
and EMS on skin
quality

Full-scale
entry into the
haircare
market in
2021 and the
shaver market
in 2022

Strengthening of branding

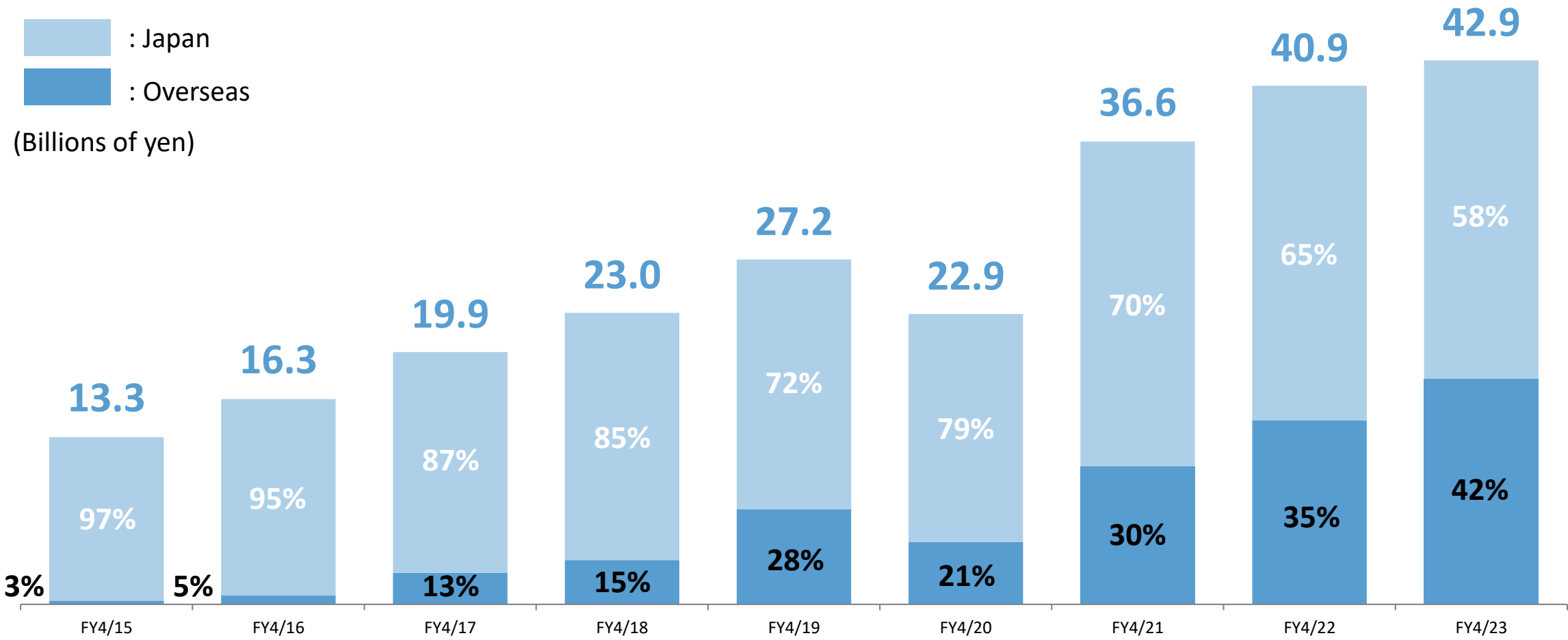
2021
Won “Rising Stars” award at
Japan Branding Awards 2021



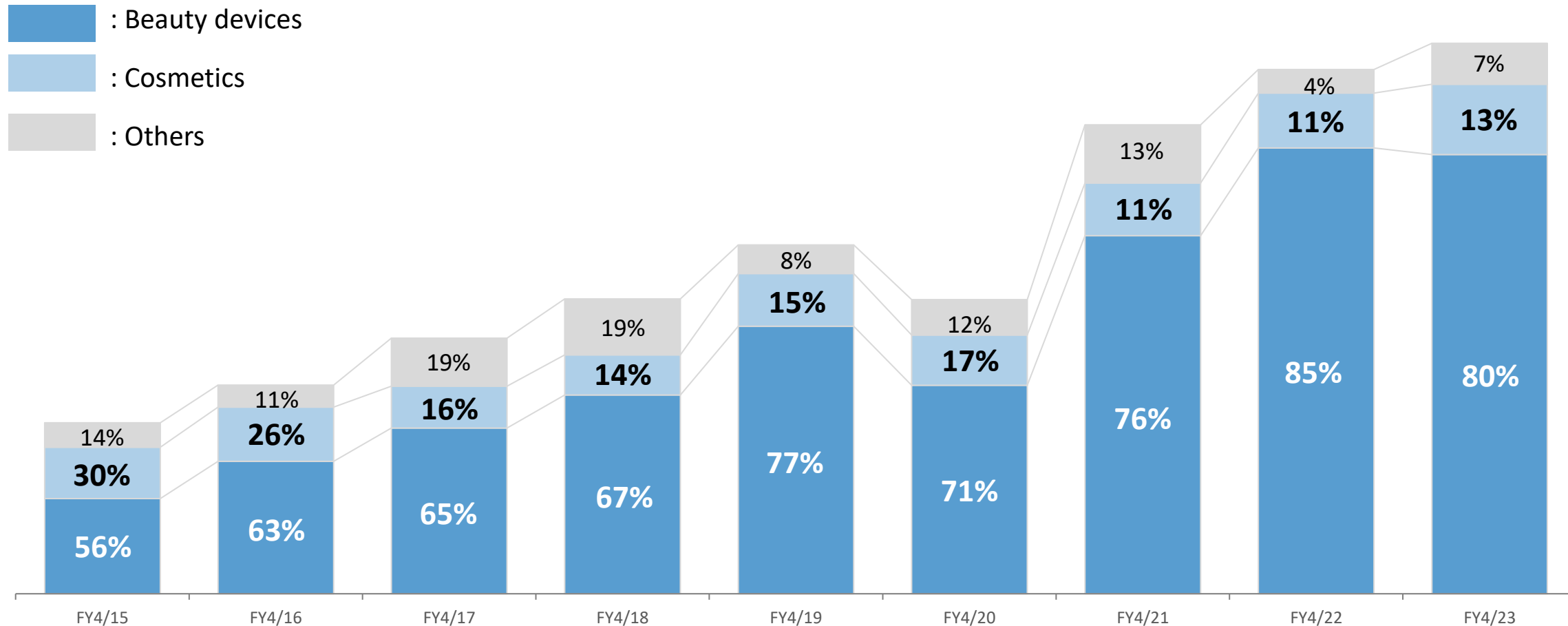
2022
Won a “Craftsmanship”
category prize at “JAXURY
AWARD 2023”



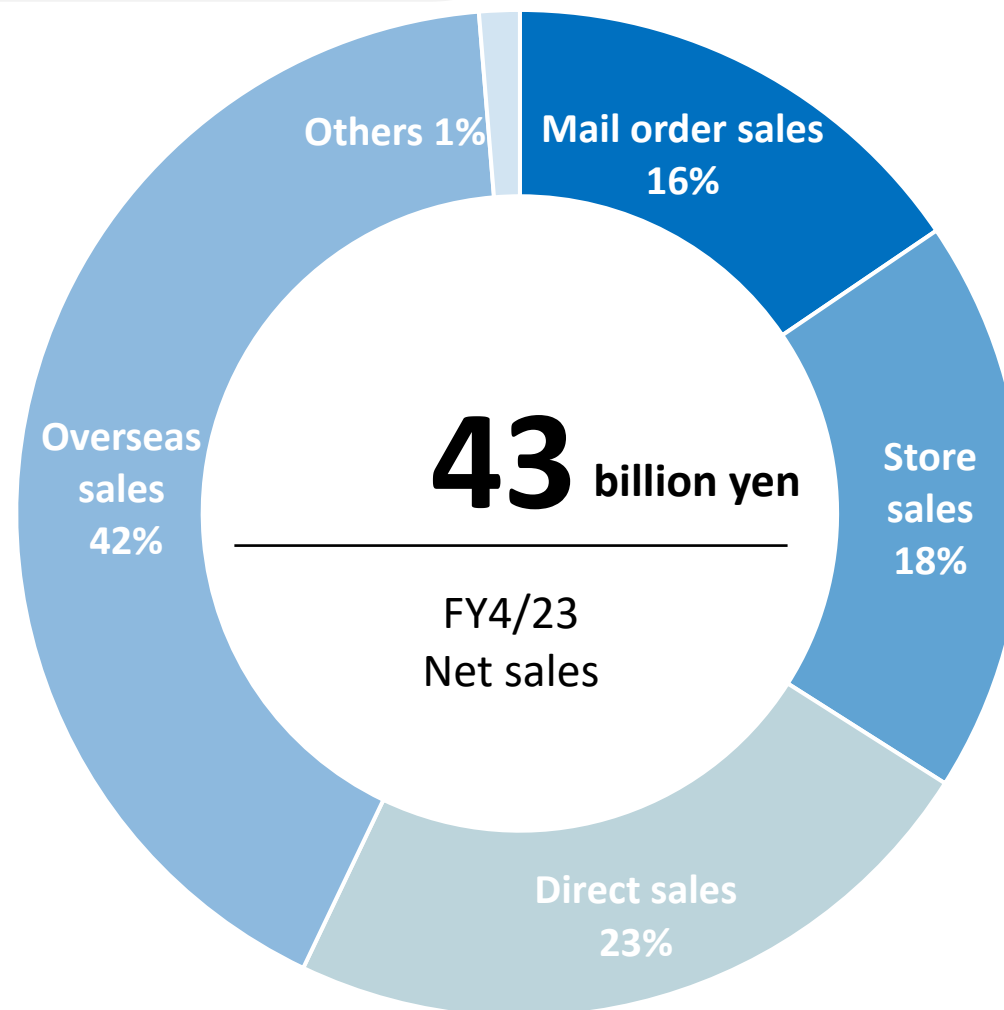
2. Changes in Net Sales — Percentage of Japan and Overseas



2. Changes in Net Sales — Percentage of Beauty Devices and Cosmetics



3. Net Sales by Segment



4. Key Management Indicators

Maintained an ROE (return on equity) of at least 10% with a highly profitable ROS (return on sales) and efficient “total asset turnover”

	FY4/15	FY4/16	FY4/17	FY4/18	FY4/19	FY4/20	FY4/21	FY4/22	FY4/23
ROE (%)	4.7	8.7	28.9	32.7	28.4	10.0	24.6	28.7	16.5
ROS (%)	2.3	3.6	11.4	14.8	13.0	5.8	10.2	13.6	9.1
Total asset turnover	1.3	1.5	1.6	1.5	1.6	1.3	1.7	1.5	1.4
Financial leverage	1.5	1.6	1.6	1.5	1.4	1.3	1.4	1.4	1.3

Part 2: Our Future

1. What We Aim for

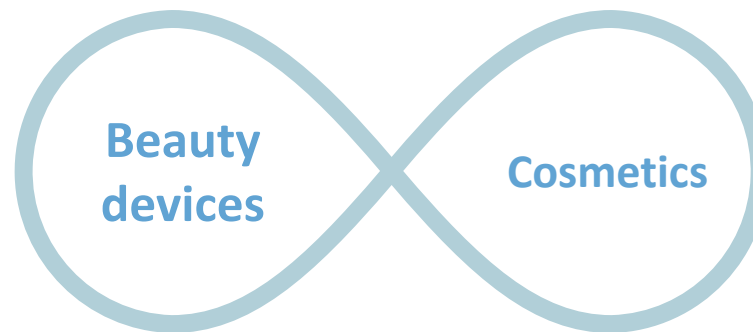
2. Growth Investments to Achieve Our Targets

- Brand-building
 - Pairing beauty devices with cosmetics
 - Joint research with academic-industrial alliance
 - Entering new product categories
 - Expansion of FACE LIFT GYM outlets
 - Global expansion
-

1. What We Aim for — A new beautiful.



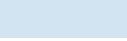
**Our aim is to become a "Global Brand Company"
as a beauty device manufacturer from Japan**

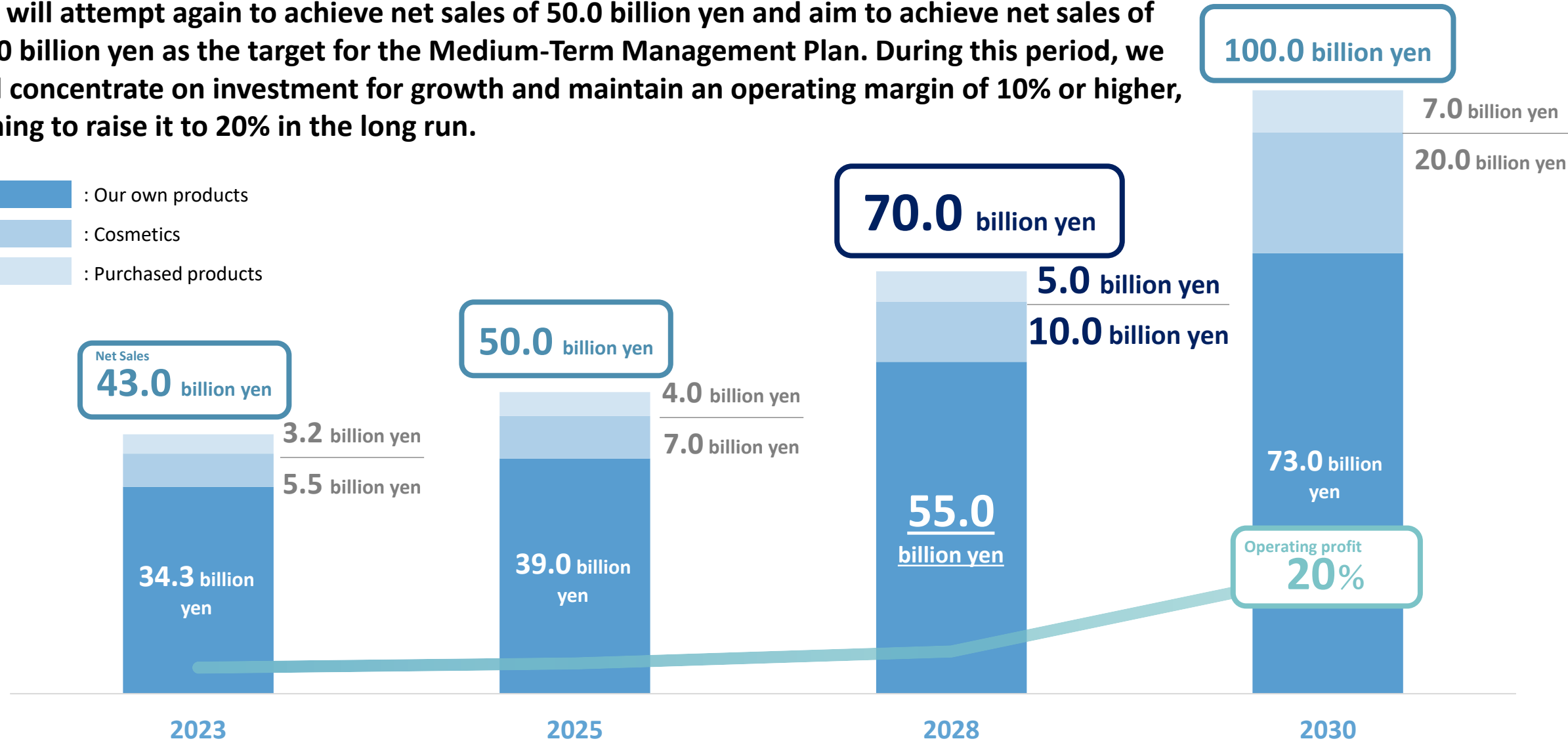
How? By introducing the synergistic efficacy of pairing beauty devices with cosmetics as a new value of beauty to the world as a global brand.



1. What We Aim for

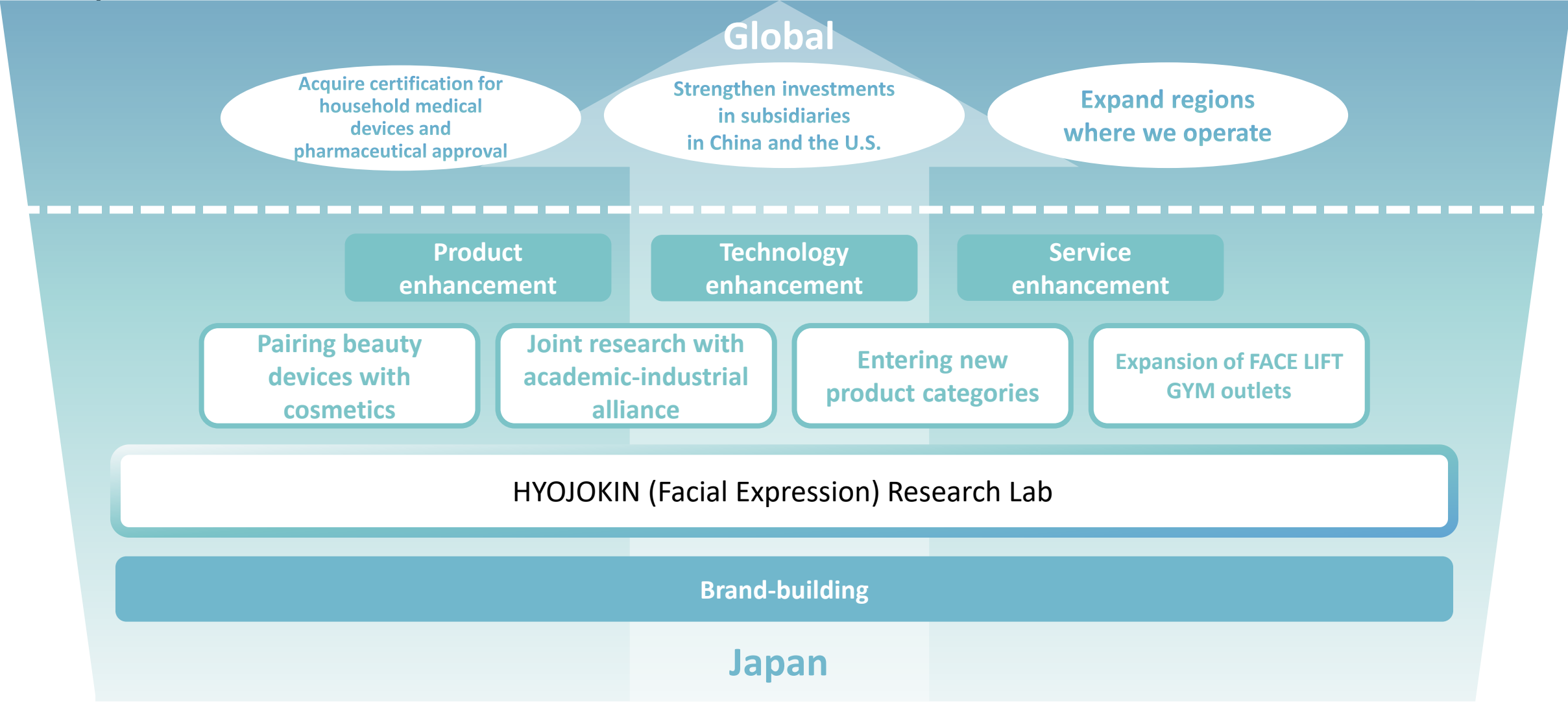
We will attempt again to achieve net sales of 50.0 billion yen and aim to achieve net sales of 70.0 billion yen as the target for the Medium-Term Management Plan. During this period, we will concentrate on investment for growth and maintain an operating margin of 10% or higher, aiming to raise it to 20% in the long run.

-  : Our own products
-  : Cosmetics
-  : Purchased products



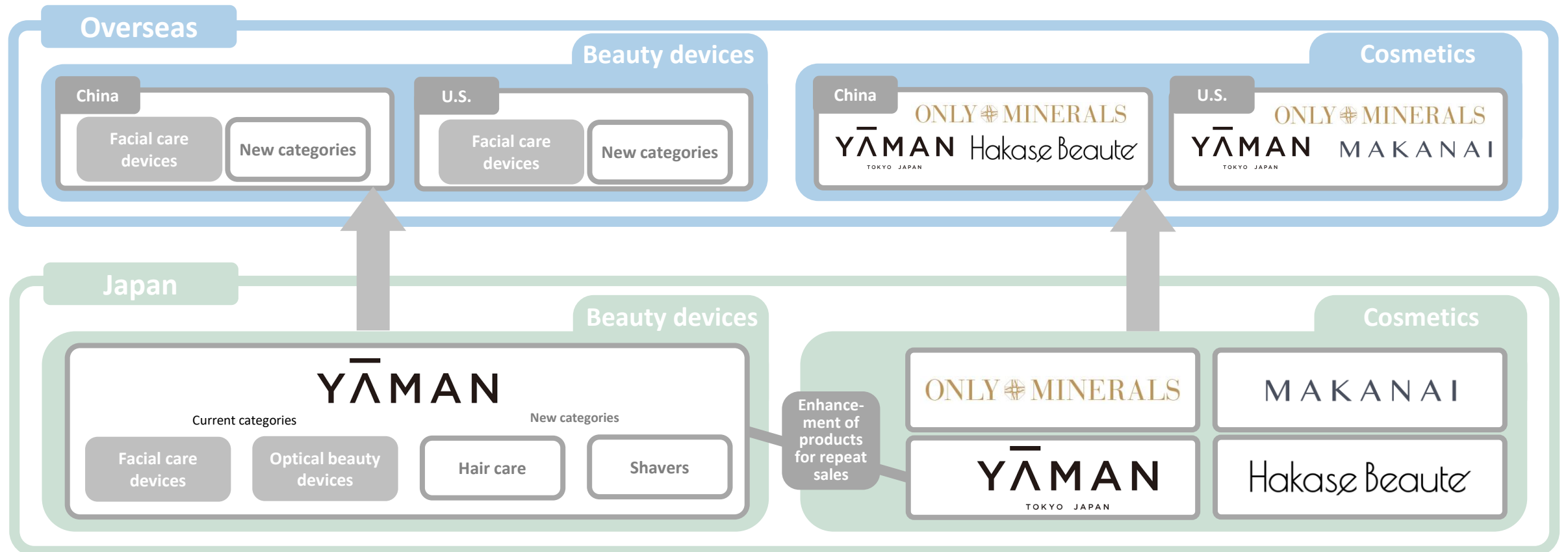
2. Growth Investments to Achieve our Targets

We will invest 10.0 billion yen in the HYOJOKIN (Facial Expression) Research Lab to strengthen our technology development and research.



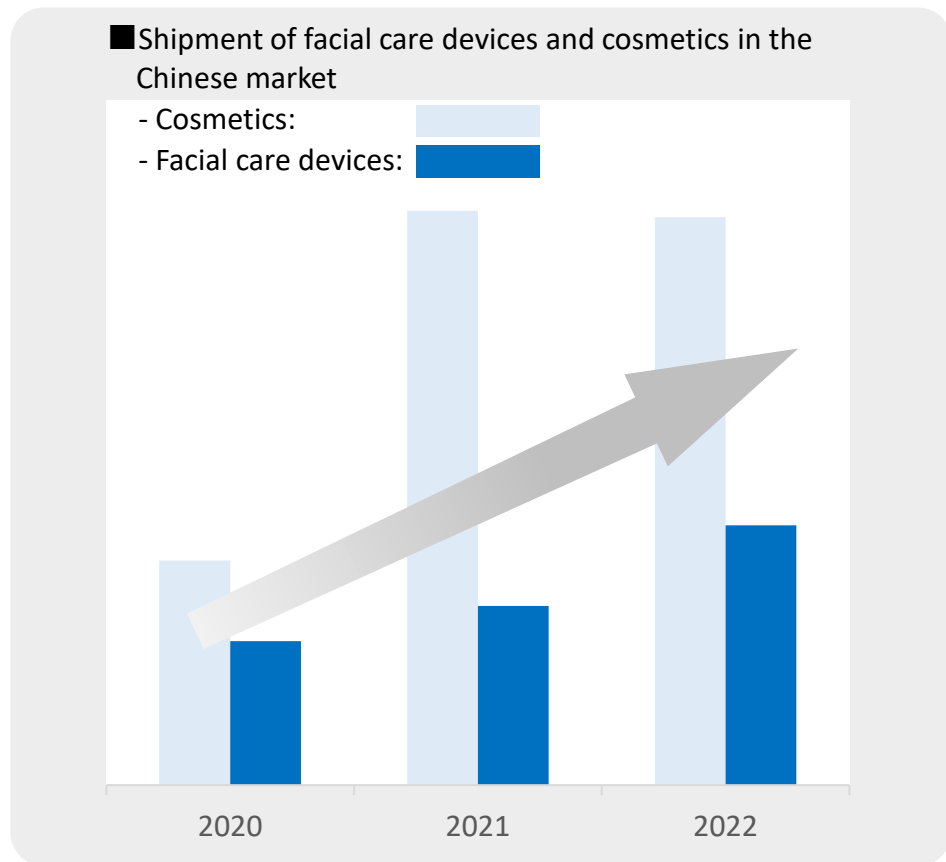
Brand-building

We will first launch new products under product categories that we have never entered before domestically and gradually expand into overseas. Products under Hair care and Shavers are new categories to YA-MAN and will especially be the focus of nurturing these brands.



Pairing beauty devices with cosmetics

We will expand our original functional cosmetics that further improve the performance of beauty devices and build a foundation for repeat sales.



Joint research with academic-industrial alliance

Through joint research with universities, we aim to verify the detailed efficacy and safety of our products, as well as to clarify our own mechanisms that will lead to the development of future products.

The results obtained from the research will be returned to the development of cosmetics technologies through the publication of research papers and other means, leading to the further development of the beauty device industry.



Industry-
academia
collaboration



■ Case study

Department of Dermatology, Graduate School of Medicine, National University Corporation, the University of Tokyo.

- Further clarify the mechanisms that induce reverse aging in human skin
- Verify the efficacy and safety of our cosmetics technologies

Entering new product categories

Cosmetic Medicine

The market size (based on revenue at medical facilities) of cosmetic medicine has grown to reach about 400.0 billion. Cosmetic Medicine is a promising new category that is expected to continue expanding.

In addition to "medical devices" used in medical institutions such as cosmetic dermatology, we are planning to sell household beauty devices and cosmetics exclusively for medical institutions.

Aesthetic clinics:

Approx. **6,000** clinics in Japan

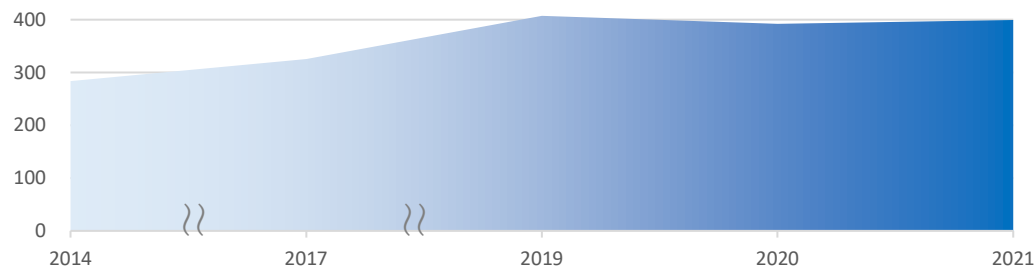
Cosmetic dermatology: Approx. 4,500 clinics

Cosmetic surgery: Approx. 1,500 clinics



[Cosmetic medicine market size]*

(Billions of yen)



*Source: Yano Research Institute Ltd. "Cosmetic Medicine Market in Japan: Key Research Findings 2022" (announced on July 20, 2022)

Oral care

Starting with oral cavity irrigators, we will enter the oral care category, which is growing both domestically and overseas.

In Japan, we will develop sales channels for dental clinics and strengthen our product lineup. Based on the domestic sales performance, we aim to expand globally.

Oral cavity irrigator: Jet Floss



Direct sales/
newspapers/
EC/Info

Consumer
electronics
retailers' dental
care corners

Mail order
wholesalers
TV shopping

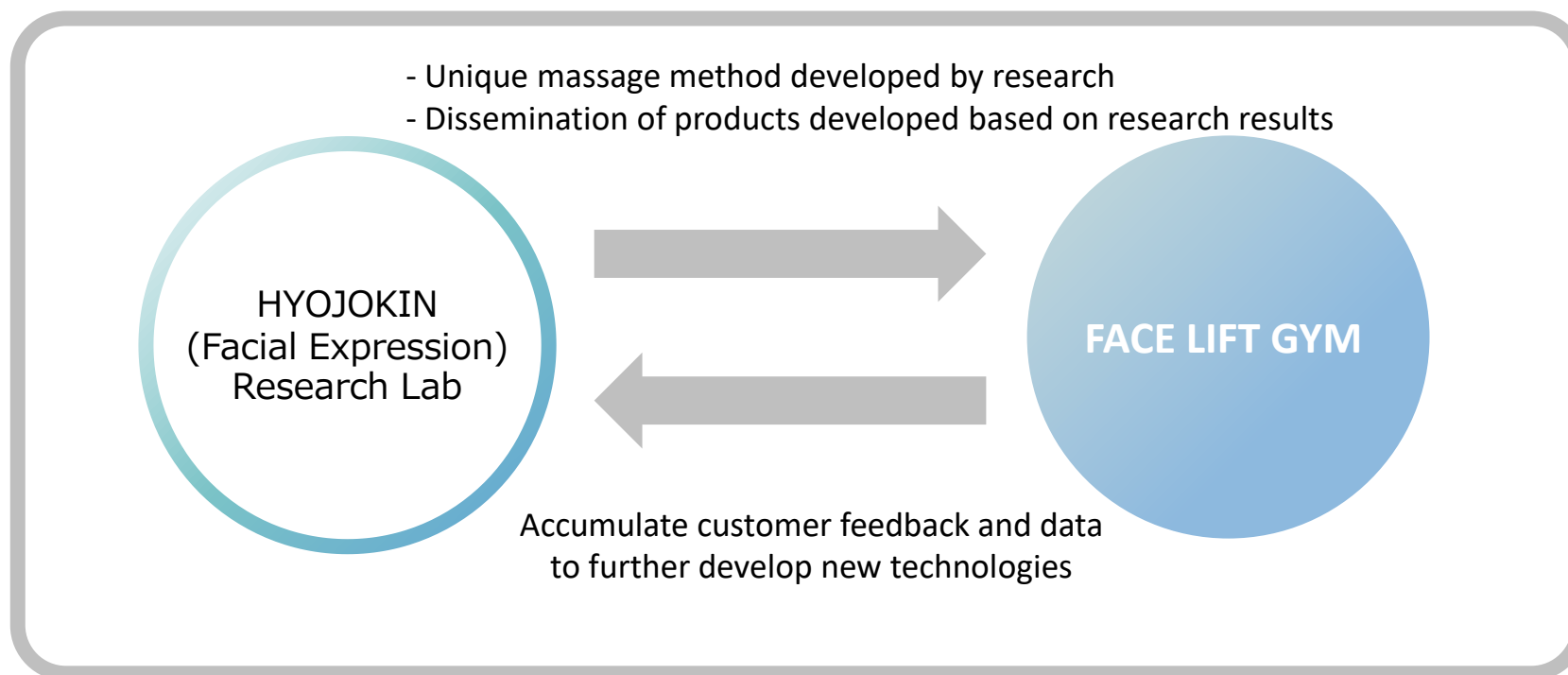
Dentists

Expansion of FACE LIFT GYM Outlets

The FACE LIFT GYM will disseminate the technologies and new products developed at the HYOJOKIN (Facial Expression) Research Lab, and the accumulated customer data will be used to further advance the technology.

This cycle will be accelerated by aggressively increasing the number of outlets.

We plan to have a FACE LIFT GYM attached to the YA-MAN's first large-scale flagship store which will open in Tokyo in 2023.



Global Expansion

Acquire certification for household medical devices and pharmaceutical approval

[China]

Promote NMPA certification and registration so that our products can be sold as household medical devices

[U.S.]

Promote the registration of FDA certification for facial beauty device



Strengthen investments in subsidiaries in China and the U.S.

[China]

Continue to strengthen sales through live commerce, etc., leveraging the strength of the YA-MAN brand and strive to develop new categories

[U.S.]

Aggressively promote FDA-certified products and household beauty devices to increase brand recognition in the European and North American markets



YĀMAN