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**Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending April 30, 2024
(Nine Months Ended January 31, 2024)
[Japanese GAAP]**



March 14, 2024

Company name: YA-MAN LTD.

Listing: Tokyo Stock Exchange

Stock code: 6630

URL: <https://www.ya-man.co.jp/>

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Scheduled date of filing of Quarterly Report: March 14, 2024

Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended January 31, 2024 (May 1, 2023 – January 31, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Jan. 31, 2024	25,604	(27.6)	1,848	(67.6)	2,071	(62.0)	1,159	(67.6)
Nine months ended Jan. 31, 2023	35,389	11.7	5,711	(4.9)	5,452	(13.0)	3,574	(16.2)

Note: Comprehensive income (million yen) Nine months ended Jan. 31, 2024: 1,167 (down 67.5%)

Nine months ended Jan. 31, 2023: 3,587 (down 16.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jan. 31, 2024	21.07	-
Nine months ended Jan. 31, 2023	64.96	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jan. 31, 2024	30,669	25,887	84.4
As of Apr. 30, 2023	30,979	25,435	82.1

Reference: Shareholders' equity (million yen) As of Jan. 31, 2024: 25,887

As of Apr. 30, 2023: 25,435

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Apr. 30, 2023	-	4.25	-	8.75	13.00
Fiscal year ending Apr. 30, 2024	-	4.25	-		
Fiscal year ending Apr. 30, 2024 (Forecast)				4.75	9.00

- Notes: 1. Revisions to the most recently announced dividend forecast: Yes
2. For the revisions to the dividend forecast, please refer to “Notice of Revisions to Dividend Forecast (Increase)” announced on March 14, 2024.
3. Breakdown of the year-end dividend for the fiscal year ended Apr. 30, 2023:
Ordinary dividend: 4.25 yen Commemorative dividend for the 45th founding anniversary: 4.50 yen

3. Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2024 (May 1, 2023 – April 30, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	32,430	(△24.6)	1,660	(△72.9)	1,830	(△69.1)	950	(△75.7)	17.27

- Notes: 1. Revisions to the most recently announced consolidated earnings forecast: Yes
2. For the revisions to the earnings forecast, please refer to “Notice of Revisions to Forecast” announced on March 14, 2024.

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None
Newly added: - Excluded: -
- (2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies and accounting-based estimates, and restatements
- 1) Changes in accounting policies due to revisions in accounting standards, others: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting-based estimates: None
 - 4) Restatements: None
- (4) Number of shares outstanding (common stock)
- 1) Number of shares outstanding at the end of the period (including treasury shares)
As of Jan. 31, 2024: 58,348,880 shares As of Apr. 30, 2023: 58,348,880 shares
 - 2) Number of treasury shares at the end of the period
As of Jan. 31, 2024: 3,327,668 shares As of Apr. 30, 2023: 3,327,668 shares
 - 3) Average number of shares outstanding during the period
Nine months ended Jan. 31, 2024: 55,021,212 shares Nine months ended Jan. 31, 2023: 55,021,212 shares

*** The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.**

*** Cautionary statement with respect to forward-looking statements and other special items**

Cautionary statement with respect to forecasts

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. For assumptions for financial forecasts and notes of caution for using the forecasts, please refer to “Qualitative Information on Quarterly Consolidated Financial Performance” on page 2 of the attachments.

How to view supplementary materials for financial results

Supplementary materials for the financial results will be available on YA-MAN website on Thursday, March 14, 2024.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the nine months (May 1, 2023 to January 31, 2024) of the current fiscal year, the Japanese economy was on the path towards gradual recovery, because the restriction on movement of people was mitigated as COVID-19 was reclassified as a Class 5 infectious disease under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases, resulting in an increased flow of people and the return of inbound demand.

However, uncertainty regarding the future of economy remained due to the significant impact of soaring global resource prices, unstable exchange rates, and rising consumer commodity prices.

Under these circumstances, the YA-MAN Group aimed to achieve its five-year numerical target of 70.0 billion yen in net sales in its new medium-term management plan, “Going Global Strategy,” which was announced in June 2023. Our efforts included the opening of the flagship store “YA-MAN the store GINZA” in Ginza, Tokyo, in November 2023, the promotion of certifications and registrations in various countries including the FDA and NMPA, strengthening of industry-academia joint research and capital investment at “HYOJO Science Lab,” and the launch of shavers/hair care and other new categories.

In addition to the current high prices of commodities, political instabilities and natural disasters in Japan and abroad led to a decline in consumer confidence. Due to these and other factors, for the nine months under review, net sales decreased 27.6% year-on-year to 25,604 million yen, ordinary profit decreased 62.0% year-on-year to 2,071 million yen, and profit attributable to owners of parent decreased 67.6% year-on-year to 1,159 million yen. Thus, each result was below the same period of the previous fiscal year.

Overseas, sales in China, which had been strong up to now, declined more than expected due to impact of, for example, refraining from buying Japanese products triggered by the ALPS treated water issue and market turmoil caused by the sale of RF-equipped beauty equipment at a discount by other manufacturers with an eye on the RF regulations that will start in April 2024.

In addition, in Japan, front-loaded investment in shavers/hair care and other new categories as well as in measures to increase repeat direct sales still continued, resulting in the failure to contribute to sales growth.

Business segment performance was as follows.

1) Home shopping sales

Sales in this segment represent sales to individual customers through TV shopping business operators, sales to catalog sales companies, and sales to companies that sell products exclusively on the Internet.

In the nine months under review, sales of new products were delayed, and sales of existing products took center stage. Accordingly, segment sales decreased 44.7% year-on-year to 3,098 million yen and segment profit decreased 62.5% year-on-year to 758 million yen.

2) Store sales

Sales in this segment represent mainly sales of products at home appliance stores, major department stores and variety shops.

In the nine months under review, although there was a return of flow of people to storefronts such as home appliance stores and department stores, competition in existing categories is increasing, and it is still taking time for new categories to start generating sales due to front-loaded investment. As a result, segment sales decreased 8.2% year-on-year to 5,810 million yen, and segment profit decreased 46.5% year-on-year to 847 million yen.

3) Direct sales

Sales in this segment are derived from sales of products to individuals by using infomercials, magazines, newspapers, the Internet and other channels.

In the nine months under review, although we focused on advertisement investments in repeat sales at our own e-commerce site, segment sales decreased 13.4% year-on-year to 6,971 million yen and segment profit decreased

44.3% year-on-year to 2,167 million yen.

The direct sales segment has worked to renew the direct sales EC system to improve and streamline customer management, needs analysis, and sales promotion, and completed the replacement to the new system in February 2024.

We are committed to utilizing the new system to increase our sales by improving customer convenience and satisfaction.

4) Overseas operations

Sales in this segment represent mainly sales to overseas home shopping companies, wholesale companies and individuals.

In the nine months under review, sales to China were significantly affected by refraining from buying Japanese products and market turmoil due to the RF regulations. As a result, segment sales decreased 37.8% year-on-year to 9,554 million yen and segment profit decreased 36.8% year-on-year to 3,837 million yen.

(2) Explanation of Financial Position

Total assets as of January 31, 2024 decreased by 309 million yen from the end of the previous fiscal year to 30,669 million yen.

This is mainly attributable to an increase in cash and deposits of 771 million yen, a decrease in accounts receivable - other of 503 million yen, a decrease in merchandise and finished goods of 368 million yen, and a decrease in notes and accounts receivable - trade, and contract assets of 291 million yen.

Total liabilities as of January 31, 2024 decreased by 761 million yen from the end of the previous fiscal year to 4,781 million yen.

This is mainly attributable to an increase in liabilities from application of equity method of 468 million yen, a decrease in income taxes payable of 494 million yen, a decrease in notes and accounts payable - trade of 488 million yen, and a decrease in long-term borrowings of 456 million yen.

Total net assets as of January 31, 2024 increased by 451 million yen from the end of the previous fiscal year to 25,887 million yen.

This is mainly attributable to the recording of profit attributable to owners of parent of 1,159 million yen and an increase in retained earnings of 444 million yen on account of the payment of 715 million yen in dividends from surplus.

(3) Consolidated Financial Forecasts and Other Forward-looking Statements

Overseas, sales to China were affected by refraining from buying Japanese products and market turmoil due to the RF regulations, resulting in a sharp drop in sales.

Since the entry into the China market in 2015, the Company has continuously worked to establish a sound market and brand as a leading beauty equipment company in China. Thus, we did not engage in sales that would damage our brand even in the recent market turmoil.

Although the slowdown of the China market is expected to continue for the time being, the recognition of the YA-MAN brand in the country is high, and we regard this is a temporary drop that would continue until the circumstances change.

We have made a full-fledged entry into the B2C business in China through newly established YA-MAN (ZHEJIANG) E-COMMERCE CO.,LTD. Through such and other efforts, we aim to review the sales channels and product lineups and recover sales.

In addition, the markets in China and other overseas countries are the important channels essential for achieving our medium-term management plan; therefore, we will continue to make investments at a certain level. At the same time, we will strive to increase sales through creation of further added value through our efforts exemplified by product development based on needs of customers in various countries, obtaining various certifications, and demonstration of efficacy mainly by “HYOJO Science Lab.”

In Japan, we have made front-loaded investments in new shavers/hair care categories. However, because the

market size for these categories is big, we assume that it will take time until we can raise the recognition of them and generate sales. We aim to expand the market share by implementing advertisement measures and reviewing the product lineups.

Furthermore, we will also focus on such matters as the review of the supply chain, the efficiency improvement of advertisement, and the enhancement of repeat sales. By so doing, we aim to reduce cost and raise the level of sales.

From now on, we intend to review the new medium-term management plan which started this fiscal year.

On March 14, 2024, the Company revised the numerical figures which were announced on June 13, 2023. The consolidated earnings forecasts for the fiscal year ending April 30, 2024 are: a net sales decrease of 24.6% year-on-year to 32,430 million yen, an operating profit decrease of 72.9% to 1,660 million yen, an ordinary profit decrease of 69.1% to 1,830 million yen, and a profit attributable to owners of parent decrease of 75.7% to 950 million yen.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of April 30, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	16,146,142	16,917,427
Notes and accounts receivable - trade, and contract assets	4,935,153	4,643,412
Merchandise and finished goods	4,018,266	3,649,695
Work in process	8,030	8,517
Raw materials and supplies	1,106,204	1,192,195
Accounts receivable - other	936,297	432,622
Income taxes refund receivable	1,291	1,936
Other	1,415,310	987,838
Total current assets	28,566,696	27,833,646
Non-current assets		
Property, plant and equipment	543,594	908,621
Intangible assets	590,776	680,004
Investments and other assets		
Investment securities	300,000	300,000
Shares of subsidiaries and associates	77,981	92,281
Other	900,477	855,012
Total investments and other assets	1,278,459	1,247,294
Total non-current assets	2,412,829	2,835,920
Total assets	30,979,525	30,669,567
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,521,045	1,032,414
Current portion of long-term borrowings	624,000	612,000
Accounts payable - other	1,421,382	1,348,625
Income taxes payable	494,696	52
Provision for bonuses	112,565	55,329
Other	508,062	863,651
Total current liabilities	4,681,752	3,912,074
Non-current liabilities		
Long-term borrowings	706,000	250,000
Liabilities from application of equity method	143,326	611,934
Other	12,500	7,636
Total non-current liabilities	861,827	869,571
Total liabilities	5,543,580	4,781,645
Net assets		
Shareholders' equity		
Share capital	1,813,796	1,813,796
Capital surplus	1,432,431	1,432,431
Retained earnings	25,004,092	25,448,319
Treasury shares	(2,887,118)	(2,887,118)
Total shareholders' equity	25,363,201	25,807,428
Accumulated other comprehensive income		
Foreign currency translation adjustment	72,743	80,492
Total accumulated other comprehensive income	72,743	80,492
Total net assets	25,435,945	25,887,921
Total liabilities and net assets	30,979,525	30,669,567

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Thousand yen)

	For the nine months ended January 31, 2023	For the nine months ended January 31, 2024
Net sales	35,389,072	25,604,894
Cost of sales	13,845,892	9,943,102
Gross profit	21,543,180	15,661,791
Selling, general and administrative expenses		
Advertising expenses	9,745,043	7,137,941
Provision of allowance for doubtful accounts	(136)	–
Salaries and allowances	976,451	1,071,583
Provision for bonuses	48,814	55,329
Depreciation	157,512	147,083
Research and development expenses	551,104	774,366
Other	4,352,488	4,627,251
Total selling, general and administrative expenses	15,831,279	13,813,556
Operating profit	5,711,901	1,848,235
Non-operating income		
Interest income	857	849
Dividend income	10,781	12,000
Foreign exchange gains	77,179	706,323
Other	9,307	3,442
Total non-operating income	98,125	722,615
Non-operating expenses		
Interest expenses	20,664	11,288
Guarantee commission	3,990	3,685
Loss on sale of trade receivables	3,026	2,208
Share of loss of entities accounted for using equity method	276,188	476,537
Donations	52,000	–
Other	1,250	5,764
Total non-operating expenses	357,120	499,484
Ordinary profit	5,452,906	2,071,365
Extraordinary income		
Settlement income	1,350	–
Total extraordinary income	1,350	–
Extraordinary losses		
Contributions of loss	57,457	–
Loss on retirement of non-current assets	17,666	25,403
Total extraordinary losses	75,123	25,403
Profit before income taxes	5,379,132	2,045,962
Income taxes	1,804,716	886,459
Profit	3,574,415	1,159,503
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	3,574,415	1,159,503

Quarterly Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the nine months ended January 31, 2023	For the nine months ended January 31, 2024
Profit	3,574,415	1,159,503
Other comprehensive income		
Foreign currency translation adjustment	4,624	31,430
Share of other comprehensive income of entities accounted for using equity method	8,821	(23,681)
Total other comprehensive income	13,445	7,749
Comprehensive income	3,587,861	1,167,252
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,587,861	1,167,252
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements
(Notes on going concern assumption)

There is no relevant information.

(Notes in the event of significant changes in shareholders' equity)

There is no relevant information.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the third quarter under review and multiplying quarterly profit before income taxes by such an estimated effective tax rate.

(Additional information)

(Accounting estimates regarding the impact of the COVID-19 pandemic)

There have been no material changes to the assumptions regarding the impact of the COVID-19 pandemic described in (Additional Information) (Accounting estimates regarding the impact of the COVID-19 pandemic) of the Annual Securities Report for the previous fiscal year.

(Segment information, etc.)

(Segment information)

I. For the nine months ended January 31, 2023

Information on net sales and profit, and information on disaggregation of revenue, by reportable segment

(Thousand yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Home shopping sales	Store sales	Direct sales	Overseas operations	Total				
Net sales									
Revenue from contracts with customers	5,604,741	6,328,641	8,045,467	15,360,068	35,338,919	50,152	35,389,072	–	35,389,072
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	5,604,741	6,328,641	8,045,467	15,360,068	35,338,919	50,152	35,389,072	–	35,389,072
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	5,604,741	6,328,641	8,045,467	15,360,068	35,338,919	50,152	35,389,072	–	35,389,072
Segment profit	2,021,688	1,584,374	3,893,218	6,067,311	13,566,593	29,542	13,596,136	(7,884,234)	5,711,901

- (Notes) 1. “Others” is a business segment not included in the reportable segment and includes the advanced electronics division.
2. The adjustment for segment profit of (7,884,234) thousand yen includes the elimination of intersegment transactions of 23,400 thousand yen, corporate expenses of (7,854,688) thousand yen that are not allocated to each reportable segment, and elimination of unrealized profit of (52,946) thousand yen. Corporate expenses mainly consist of selling, general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

II. For the nine months ended January 31, 2024

Information on net sales and profit, and information on disaggregation of revenue, by reportable segment

(Thousand yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Home shopping sales	Store sales	Direct sales	Overseas operations	Total				
Net sales									
Revenue from contracts with customers	3,098,124	5,810,008	6,971,088	9,554,915	25,434,135	170,758	25,604,894	–	25,604,894
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	3,098,124	5,810,008	6,971,088	9,554,915	25,434,135	170,758	25,604,894	–	25,604,894
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	3,098,124	5,810,008	6,971,088	9,554,915	25,434,135	170,758	25,604,894	–	25,604,894
Segment profit	758,311	847,975	2,167,492	3,837,455	7,611,236	106,760	7,717,996	(5,869,761)	1,848,235

(Notes) 1. “Others” is a business segment not included in the reportable segment and includes the advanced electronics division.

2. The adjustment for segment profit of (5,869,761) thousand yen includes the elimination of intersegment transactions of 23,400 thousand yen, and corporate expenses of (5,893,161) thousand yen that are not allocated to each reportable segment. Corporate expenses mainly consist of selling, general and administrative expenses that do not belong to any reportable segment.

3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.