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Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending April 30, 2025
(Six Months Ended October 31, 2024)
[Japanese GAAP]



December 13, 2024

Company name: YA-MAN LTD.
Listing: Tokyo Stock Exchange
Stock code: 6630
URL: <https://www.ya-man.co.jp/>
Representative: Kimiyo Yamazaki, President and Representative Director
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Scheduled date of payment of dividend: January 7, 2025
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 Six Months Ended July 31, 2024 (May 1, 2024 – October 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	%
Six months ended Oct. 31, 2024	12,718	(32.4)	643	(71.3)	285	(89.1)	6	(99.6)
Six months ended Oct. 31, 2023	18,802	(29.2)	2,246	(58.2)	2,627	(61.4)	1,608	(64.6)

Note: Comprehensive income (million yen) Six months ended Oct. 31, 2024: $\Delta 4$ (—%)
Six months ended Oct. 31, 2023: 1,642 (down 64.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Oct. 31, 2024	0.12	-
Six months ended Oct. 31, 2023	29.24	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Oct. 31, 2024	29,691	24,847	83.7
As of Apr. 30, 2024	29,090	25,113	86.3

Reference: Shareholders' equity (million yen) As of Oct. 31, 2024: 24,847
As of Apr. 30, 2024: 25,113

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Apr. 30, 2024	Yen -	Yen 4.25	Yen -	Yen 4.75	Yen 9.00
Fiscal year ending Apr. 30, 2025	-	4.25			
Fiscal year ending Apr. 30, 2025 (Forecast)			-	4.75	9.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending April 30, 2025 (May 1, 2024 – April 30, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	35,000	9.3	2,500	500.6	2,200	117.6	1,550	289.1	28.17

Notes: 1. Revisions to the most recently announced consolidated earnings forecast: None

- In light of the progress of sales resulting from various unstable factors, and in order to promote constructive dialogue toward enhancing corporate value over the medium to long term, only the full year earnings forecast is announced.

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in scope of consolidation): Yes
Newly added: 1 (forty-four Co.,Ltd.) - 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 Oct. 31, 2024: 58,348,880 shares As of Apr. 30, 2024: 58,348,880 shares
 - 2) Number of treasury shares at the end of the period
As of Oct. 31, 2024: 3,327,698 shares As of Apr. 30, 2024: 3,327,668 shares
 - 3) Average number of shares outstanding during the period
Six months ended Oct. 31, 2024: 55,021,195 shares Six months ended Oct. 31, 2023: 55,021,212 shares

***Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None**

*** 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 Friday, December 13, 2024.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half (May 1, 2024 to October 31, 2024) of the current fiscal year, the Japanese economy experienced a moderate recovery as inbound demand rose and both the employment and income environments improved. However, the economic outlook remained uncertain due to the continuing rise in global resource prices, persistently high raw material prices, the depreciation of the yen, and changes in consumer sentiment associated with the soaring prices of commodities, etc.

Under these circumstances, to achieve 70.0 billion yen in net sales by the fiscal year ending April 30, 2028, as outlined in the medium-term management plan, “Going Global Strategy” formulated in June 2023, the YA-MAN Group has been optimizing its sales channels in the home shopping sales, store sales, direct sales, and overseas operations while conducting R&D and overseas investments. In Japan, with an aim to improve profit margins through advertising efficiency improvements in the Group and promote efforts for a wider range of products by accelerating the test sales of new products, we made forty-four Inc., a consolidated subsidiary in August 2024. This company specializes in advertising agency operation and sales of household appliances and other products. Overseas, we launched the “Queen Lift for Pro Clear Plus,” a facial machine for professional use, in Vietnam in July 2024 and started developing sales channels for professional-use products in the country. In November, we opened our first overseas permanent large-scale street store that handles multiple YA-MAN brands in Ho Chi Minh City, Vietnam, advancing our expansion in overseas markets.

For the six months under review, in our overseas operations, due in part to the effects of the delayed recovery in consumption in China, net sales decreased 32.4% year-on-year to 12,718 million yen, operating profit decreased 71.3% year-on-year to 643 million yen, ordinary profit decreased 89.1% year-on-year to 285 million yen, and profit attributable to owners of parent decreased 99.6% year-on-year to 6 million yen. Thus, each result fell short of the same period of the previous fiscal year.

Business segment performance was as follows.

1) Home shopping sales

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

In the six months under review, terrestrial TV shopping and shopping channels struggled. As a result, segment sales decreased 6.6% year-on-year to 2,147 million yen and segment profit decreased 6.5% year-on-year to 638 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 six months under review, sales were solid, especially at the Ginza flagship store that opened in November 2023 and at home appliance stores. Furthermore, there was growth in the new categories of hair care and oral care. As a result, segment sales increased 7.1% year-on-year to 3,985 million yen, and segment profit increased 40.5% year-on-year to 906 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 six months under review, sales of oral care products were strong, but we made front-loaded investment in repeat sales. As a result, segment sales decreased 24.9% year-on-year to 3,406 million yen and segment profit decreased 38.2% year-on-year to 887 million yen.

4) Overseas operations

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

In the six months under review, there was market turmoil for RF-equipped beauty equipment caused by RF regulations in China, and we were affected by the delayed recovery in consumption in China. As a result, segment sales decreased 63.6% year-on-year to 2,986 million yen and segment profit decreased 72.0% year-on-year to 989 million yen.

We will continuously build an effective system to approach the market as overseas operations are an important management issue for the Group.

(2) Explanation of Financial Position

Total assets as of October 31, 2024 increased by 691 million yen from the end of the previous fiscal year to 29,691 million yen.

This is mainly attributable to a decrease in allowance for doubtful accounts of 710 million yen, and an increase in goodwill of 686 million, despite a decrease in merchandise and finished goods of 119 million yen, a decrease in raw materials and supplies of 140 million yen, a decrease in accounts receivable – other of 222 million yen.

Total liabilities as of October 31, 2024 increased by 867 million yen from the end of the previous fiscal year to 4,843 million yen.

This is mainly attributable to an increase in notes and accounts payable - trade of 384 million yen, an increase in liabilities from application of equity method of 223 million yen, and an increase of long-term borrowing of 328 million yen.

Total net assets as of October 31, 2024 decreased by 266 million yen from the end of the previous fiscal year to 24,847 million yen.

This is mainly attributable to a decrease in retained earnings of 266 million yen resulting from the recording of 6 million yen in profit attributable to owners of parent and the payment of 261 million yen in dividends from surplus.

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

In the third quarter and beyond, the YA-MAN Group is planning to recover sales by increasing measures for the year-end shopping season, and launching new products at forty-four grouped in this August. And the Group is planning to strengthen advertising campaigns in China and expand other overseas markets besides China such as Vietnam.

There is no change from the earnings forecasts announced on June 14, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of April 30, 2024	As of Oct 31, 2024
Assets		
Current assets		
Cash and deposits	16,605	16,744
Notes and accounts receivable - trade, and contract assets	4,834	4,862
Merchandise and finished goods	2,956	2,836
Work in process	22	111
Raw materials and supplies	1,077	936
Accounts receivable - other	506	283
Income taxes refund receivable	101	0
Other	892	716
Allowance for doubtful accounts	(980)	(270)
Total current assets	26,016	26,223
Non-current assets		
Property, plant and equipment	899	881
Intangible assets		
Goodwill	-	686
Other	690	693
Intangible assets	690	1,379
Investments and other assets		
Investment securities	300	300
Shares of subsidiaries and associates	107	104
Other	1,075	801
Total investments and other assets	1,483	1,207
Total non-current assets	3,073	3,468
Total assets	29,090	29,691

(Million yen)

	As of April 30, 2024	As of Oct 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	782	1,166
Current portion of long-term borrowings	606	482
Accounts payable - other	1,122	1,000
Income taxes payable	18	36
Provision for bonuses	122	118
Other	475	641
Total current liabilities	3,127	3,445
Non-current liabilities		
Long-term borrowings	100	428
Liabilities from application of equity method	735	958
Other	14	12
Total non-current liabilities	849	1,398
Total liabilities	3,976	4,843
Net assets		
Shareholders' equity		
Share capital	1,813	1,813
Capital surplus	1,432	1,432
Retained earnings	24,688	24,433
Treasury shares	(2,887)	(2,887)
Total shareholders' equity	25,047	24,792
Accumulated other comprehensive income		
Foreign currency translation adjustment	66	55
Total accumulated other comprehensive income	66	55
Total net assets	25,113	24,847
Total liabilities and net assets	29,090	29,691

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Million yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Net sales	18,802	12,718
Cost of sales	7,132	5,421
Gross profit	11,670	7,297
Selling, general and administrative expenses		
Advertising expenses	4,972	2,887
Provision of allowance for doubtful accounts	–	△710
Salaries and allowances	715	790
Provision for bonuses	119	118
Depreciation	93	104
Amortization of Goodwill	–	23
Research and development expenses	514	417
Other	3,008	3,021
Total selling, general and administrative expenses	9,424	6,653
Operating profit	2,246	643
Non-operating income		
Interest income	0	1
Dividend income	12	21
Foreign exchange gains	837	–
Other	2	4
Total non-operating income	852	27
Non-operating expenses		
Interest expenses	8	6
Guarantee commission	3	3
Foreign exchange losses	–	124
Share of loss of entities accounted for using equity method	451	237
Other	7	13
Total non-operating expenses	470	385
Ordinary profit	2,627	285
Extraordinary losses		
Loss on retirement of non-current assets	22	34
Total extraordinary losses	22	34
Profit before income taxes	2,604	250
Income taxes	996	244
Profit (loss)	1,608	6
Profit attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	1,608	6

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Profit(loss)	1,608	6
Other comprehensive income		
Foreign currency translation adjustment	43	(6)
Share of other comprehensive income of entities accounted for using equity method	(9)	(5)
Total other comprehensive income	33	(11)
Comprehensive income	1,642	(4)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,642	(4)
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,604	250
Depreciation	165	226
Amortization of goodwill	–	23
Share of loss (profit) of entities accounted for using equity method	451	237
Increase (decrease) in allowance for doubtful accounts	–	(710)
Increase (decrease) in provision for bonuses	6	(3)
Increase decrease in refund liabilities	51	8
Interest and dividend income	(12)	(23)
Interest expenses	8	6
Foreign exchange losses (gains)	(544)	78
Loss on retirement of non-current assets	22	34
Decrease (increase) in trade receivables	(1,296)	114
Decrease (increase) in consumption taxes refund receivable	463	401
Decrease (increase) in accounts receivable - other	6	222
Decrease (increase) in prepaid expenses	(153)	(132)
Decrease (increase) in inventories	38	206
Increase (decrease) in trade payables	(123)	(73)
Increase (decrease) in accounts payable - other	128	(96)
Increase decrease in contract liabilities	98	(8)
Other, net	260	181
Subtotal	2,176	944
Interest and dividends received	12	23
Interest paid	(8)	(9)
Income taxes paid	(453)	(24)
Income taxes refund	11	126
Net cash provided by (used in) operating activities	1,739	1,060
Cash flows from investing activities		
Purchase of property, plant and equipment	(395)	(158)
Purchase of intangible assets	(91)	(97)
Payments into time deposits	(236)	(236)
Proceeds from withdrawal of time deposits	236	236
Payments of leasehold and guarantee deposits	(3)	(0)
Other, net	2	11
Net cash provided by (used in) investing activities	(486)	(244)
Cash flows from financing activities		
Repayments of short-term borrowings	–	(30)
Proceeds from long-term borrowings	–	410
Repayments of long-term borrowings	(312)	(714)
Repayments of lease liabilities	(4)	(5)
Purchase of treasury shares	–	(0)
Dividends paid	(480)	(261)
Net cash provided by (used in) financing activities	(796)	(600)
Effect of exchange rate change on cash and cash equivalents	560	(76)
Net increase (decrease) in cash and cash equivalents	1,016	138
Cash and cash equivalents at beginning of period	15,691	16,151
Cash and cash equivalents at end of period	16,708	16,290

(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 first quarter under review and multiplying quarterly profit before income taxes by such an estimated effective tax rate.

(Segment information, etc.)

(Segment information)

I. For the six months ended October 31, 2023

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

(Million 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	2,298	3,720	4,537	8,196	18,753	49	18,802	–	18,802
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	2,298	3,720	4,537	8,196	18,753	49	18,802	–	18,802
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	2,298	3,720	4,537	8,196	18,753	49	18,802	–	18,802
Segment profit	682	644	1,435	3,530	6,292	37	6,329	(4,083)	2,246

(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 (4,083) million yen includes the elimination of intersegment transactions of 15 million yen, corporate expenses of (4,099) million yen that are not allocated to each reportable segment, and elimination of unrealized profit of 0 million 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 three months ended October 31, 2024

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

(Million 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	2,147	3,985	3,406	2,986	12,526	192	12,718	–	12,718
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	2,147	3,985	3,406	2,986	12,526	192	12,718	–	12,718
Intersegment net sales or transfers	–	–	–	–	–	181	181	(181)	–
Total	2,147	3,985	3,406	2,986	12,526	374	12,900	(181)	12,718
Segment profit	638	906	887	989	3,421	41	3,462	(2,818)	643

- (Notes) 1. “Others” is a business segment not included in the reportable segment and includes the advanced electronics division and forty-four Co.,Ltd..
2. The adjustment for segment profit of (2,818) million yen is the corporate expenses 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.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment
(Significant Changes to Goodwill)

In the Others segment, the Company purchased all the shares of forty-four, which will make this company a subsidiary. during the six months ended October 31,2024. Goodwill recorded due to the event was 710 million yen for the six months ended October 31, 2024.

(Business combinations)

1. Outline of Business combination

(1) Name and main business of acquired company

Name of acquired company : forty-four Co.,Ltd.

Main business : Advertising agency and Product planning, wholesale and sales of household appliances, etc.

(2) Main reason for business combination

“forty-four” Co.,Ltd primarily engages in advertising agency business and sales of household appliances. YA-MAN is working on a variety of issues to achieve our medium-term management plan, and one of them is that it is important to quickly improve the sales of the direct sales division and improve profit margins by improving advertising efficiency.

This acquisition is expected to control advertising costs and improve our group's advertising efficiency, which will lead to higher profit margins. And it is expected to also speed up test sales of new products that cannot be handled with the current system and move forward with initiatives for more products as soon as possible. As a result, YA-MAN has signed a contract to purchase all the shares of forty-four, which will make this company a subsidiary.

(3) Date of business combination

August 23, 2024

(4) Legal form of business combination

Acquisition of shares with acquisition agreement

(5) Acquired company's name after business combination

The name of the company will not change subsequent to the business combination.

(6) Percentage of voting rights acquired

100.0%

(7) Main basis for determining acquiring company

YA-MAN, Co., Ltd.'s acquisition of shares with acquisition agreement

2. Acquisition cost of acquired business and breakdown by type of consideration

This information is not disclosed due to mutual agreement of the parties.

3. Details and amounts of main acquisition-related costs

Advisors fee: 6 million yen

4. Amount, reason for recognition, and method and period of amortization of goodwill

(1) Amount of goodwill recognized

710 million yen

(2) Reason for recognition

Recognized based on future excess earnings capacity projected from future business expansion.

(3) Method and period of amortization

Straight-line amortization during five years.

5. Amounts and major breakdowns of assets received and liabilities assumed on the date of the business combination

Current Assets	258 million yen
Fixed Assets	39 million yen
Total Assets	297 million yen
Current Liabilities	750 million yen
Fixed Liabilities	257 million yen
Total Liabilities	1,007 million yen

6. Period of financial results of acquired company included in quarterly consolidated statements of income for the cumulative quarterly consolidated accounting period

September 1, 2024 to October 31, 2024

(Significant events after reporting period)

Change in Equity Method Affiliate (Transfer of Investments) and Booking of Extraordinary Income

The Board of Directors of the Company approved a resolution on November 23, 2024, to transfer all the investments held by the Company in MACHERIE BEAUTY TECHNOLOGY CO., LTD. (hereinafter “MACHERIE”), an equity method affiliate of the Company.

As a result of this investment transfer, MACHERIE will be excluded from the Company’s equity-method affiliates and the Company expects to book 800 million yen as extraordinary income from the gain on sale of shares of subsidiaries and associates

(1) Reason for the sale of shares

The Company decided to transfer whole investments from the investments of MACHERIE held by the Company for the purpose of concentrating management resources on the unique direct sales channels.

(2) Name of the associate, description of its business

Company name: MACHERIE BEAUTY TECHNOLOGY CO., LTD.

Description of business: Sales and product of Beauty equipment

(3) Ratio of investment to be transferred, transfer price, and equity interest after sale

Ratio of investment transferred: 35.0% (Ratio of investments after transfer: 0.0%)

Selling price: In accordance with the confidentiality obligation included in the agreement for the transfer of MACHERIE investments, the transfer price is not disclosed as requested by the transferee.

(4) Effect on operating results

As a result of this share transfer, in the third quarter of the fiscal year ending April 2025, the Company expects to book 960 million yen as extraordinary income from the gain on sale of shares of subsidiaries and associates. As the amount is currently estimation, the Company will announce the amount once it is finalized.