

News Release Dated June 14, 2024

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Notice of Recording of Provision of Allowance for Doubtful Accounts and Loss on Valuation of Shares of Subsidiaries and Associates (Non-consolidated), Differences between Full-year Consolidated Earnings Forecasts and Actual Results, and Differences between Non-consolidated Financial Results and Actual Results for the Previous Fiscal Year

YA-MAN LTD. hereby announces that it recorded provision of allowance for doubtful accounts in the financial statements for the fiscal year ended April 30, 2024 and loss on valuation of shares of subsidiaries and associates in the non-consolidated financial statements as outlined below, and that there were differences between the full-year consolidated earnings forecast for the fiscal year ended April 30, 2024 disclosed on March 14, 2024 and the actual results announced today.

Although the non-consolidated earnings forecasts are not disclosed, the Company also announces that there were differences in the actual results for the current fiscal year compared to the actual results for the previous fiscal year in the non-consolidated financial statements.

1. Recording of provision of allowance for doubtful accounts

In consideration of the impact of ALPS treated water, confusion caused by the RF regulations, and economic stagnation in China, the Company has conservatively and pre-emptively recorded provision of allowance for doubtful accounts of 980 million yen for a portion of accounts receivable - trade from China as selling, general and administrative expenses in the consolidated and non-consolidated financial statements for the fiscal year ended April 30, 2024. At this time, there are no specific losses, such as doubtful or uncollected debts.

2. Recording of loss on valuation of shares of subsidiaries and associates (non-consolidated)

Due to a significant decline in the real value of the shares of the three companies of YA-MAN U.S.A. LTD., the Company's consolidated subsidiary, and MACHERIE BEAUTY TECHNOLOGY Inc. and EFFECTIM Company, Limited, the Company's affiliates, loss on valuation of shares of subsidiaries and associates of 909 million yen was recorded under extraordinary losses in the non-consolidated financial statements for the fiscal year ended April 30, 2024.

Since the above loss on valuation is eliminated in the consolidated financial statements, there is no impact on the consolidated results for the fiscal year ended April 30, 2024.

3. Differences between the full-year consolidated earnings forecast and actual results for the fiscal year ended April 30, 2024 (May 1, 2023 – April 30, 2024)

	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
Previously announced forecast (A)	32,430	1,660	1,830	950	17.27
Actual results (B)	32,023	416	1,010	398	7.24
Change (B–A)	(407)	(1,244)	(820)	(552)	
Percent change (%)	(1.3)	(74.9)	(44.8)	(58.1)	
(Reference) Full-year actual results for the previous fiscal year (Fiscal year ended April 30, 2023)	42,996	6,134	5,917	3,913	71.12

(Reasons for the differences)

Although the Company made efforts to reduce advertising and other expenses, operating profit, ordinary profit, and profit attributable to owners of parent fell below the forecast, mainly due to the conservatively and pre-emptively recording of allowance for doubtful accounts for a portion of accounts receivable - trade from China, the recording of loss on valuation of some inventories procured to secure inventory at the beginning of the COVID-19 pandemic and sales decrease.

4. Differences between full-year non-consolidated financial results for the fiscal year ended April 30, 2024 and actual results for the previous fiscal year (May 1, 2023 – April 30, 2024)

	Net sales	Operating profit	Ordinary profit	Profit	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Actual results for the previous fiscal year (A) (Fiscal year ended April 30, 2023)	42,695	6,498	6,763	4,712	85.65
Actual results for the current fiscal year (B) (Fiscal year ended April 30, 2024)	30,849	860	2,037	162	2.95
Change (B–A)	(11,845)	(5,637)	(4,726)	(4,550)	
Percent change (%)	(27.7)	(86.8)	(69.9)	(96.6)	

(Reasons for the differences)

Net sales decreased from the previous fiscal year, mainly due to a delayed recovery in consumer confidence caused by the recent rise in prices and economic stagnation in China. Operating profit and ordinary profit were lower than in the previous fiscal year, as the Company conservatively and pre-emptively recorded allowance for doubtful accounts for a portion of accounts receivable - trade from China in consideration of an increase in expenses resulting from front-loaded investment and various situations within China, and recorded loss on valuation of some inventories procured to secure inventory at the beginning of the COVID-19 pandemic. In addition to this, profit decreased from the previous fiscal year due to the recording of loss on valuation of shares of subsidiaries and associates, as described in 2.