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Summary of Consolidated Financial Results for the Fiscal Year Ended April 30, 2024 [Japanese GAAP]



June 14, 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 Annual General Meeting of Shareholders: July 26, 2024
 Scheduled date of payment of dividend: July 29, 2024
 Scheduled date of filing of Annual Securities Report: July 26, 2024
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended April 30, 2024 (May 1, 2023 – April 30, 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	%
Fiscal year ended Apr. 30, 2024	32,023	(25.5)	416	(93.2)	1,010	(82.9)	398	(89.8)
Fiscal year ended Apr. 30, 2023	42,996	5.0	6,134	(10.8)	5,917	(26.6)	3,913	(30.0)

Note: Comprehensive income (million yen) Fiscal year ended Apr. 30, 2024: 392 (down 90.0%)
 Fiscal year ended Apr. 30, 2023: 3,930 (down 30.5%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Apr. 30, 2024	7.24	-	1.6	3.4	1.3
Fiscal year ended Apr. 30, 2023	71.12	-	16.5	19.2	14.3

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Apr. 30, 2024: (541)
 Fiscal year ended Apr. 30, 2023: (457)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Apr. 30, 2024	29,090	25,113	86.3	456.44
As of Apr. 30, 2023	30,979	25,435	82.1	462.29

Reference: Shareholders' equity (million yen) As of Apr. 30, 2024: 25,113
 As of Apr. 30, 2023: 25,435

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Apr. 30, 2024	1,931	(950)	(1,347)	16,151
Fiscal year ended Apr. 30, 2023	986	(632)	(1,223)	15,691

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Apr. 30, 2023	-	4.25	-	8.75	13.00	715	18.3	3.0
Fiscal year ended Apr. 30, 2024	-	4.25	-	4.75	9.00	495	124.3	2.0
Fiscal year ending Apr. 30, 2025 (Forecast)	-	4.25	-	4.75	9.00		31.9	

Note: 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, 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	35,000	9.3	2,500	500.6	2,200	117.6	1,550	289.1	28.17

Note: 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): None
 Newly added: - Excluded: -
- (2) 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
- (3) Number of shares outstanding (common stock)
 1) Number of shares outstanding at the end of the period (including treasury shares)
 As of Apr. 30, 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 Apr. 30, 2024: 3,327,668 shares As of Apr. 30, 2023: 3,327,668 shares
 3) Average number of shares outstanding during the period
 Fiscal year ended Apr. 30, 2024: 55,021,212 shares Fiscal year ended Apr. 30, 2023: 55,021,212 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended April 30, 2024 (May 1, 2023 – April 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Apr. 30, 2024	30,849	(27.7)	860	(86.8)	2,037	(69.9)	162	(96.6)
Fiscal year ended Apr. 30, 2023	42,695	5.0	6,498	(6.9)	6,763	(18.6)	4,712	(15.8)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Apr. 30, 2024	2.95		-	
Fiscal year ended Apr. 30, 2023	85.65		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Apr. 30, 2024	28,925		25,826		89.3		469.40	
As of Apr. 30, 2023	31,762		26,379		83.1		479.45	

Reference: Shareholders' equity (million yen) As of Apr. 30, 2024: 25,826
 As of Apr. 30, 2023: 26,379

*** The current financial report is not subject to audit 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 "Overview of Operating Results, etc." 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, June 14, 2024.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

In the fiscal year under review (May 1, 2023 to April 30, 2024), the Japanese economy was on the path towards gradual recovery 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, leading to the normalization of social and economic activities, a rebound in personal consumption, and a recovery in the number of foreign visitors to Japan to above pre-COVID-19 levels.

However, uncertainty regarding the future of economy remained due to the significant impact of factors including rising geopolitical risks, constant rise in global resource prices, rising commodity prices, and yen depreciation.

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 at “HYOJO Science Lab” and capital investment in direct sales e-commerce systems, and the launch of hair care/shavers and other new categories.

Due to factors including a delayed recovery in consumer confidence caused by the recent rise in commodity prices and economic stagnation in China, net sales for the fiscal year under review decreased 25.5% year-on-year to 32,023 million yen, underperforming the previous fiscal year. As a result of factors including an increase in expenses due to advance investments, a recording of a conservative and precautionary allowance for doubtful accounts for a portion of accounts receivable-trade from China in consideration of various conditions in China, and valuation losses on a portion of inventories procured to secure inventory at the beginning of the COVID-19 pandemic, earnings did not reach the level of the previous fiscal year, with operating profit down 93.2% year-on-year to 416 million yen, ordinary profit down 82.9% year-on-year to 1,010 million yen, and profit attributable to owners of parent down 89.8% year-on-year to 398 million yen.

Overseas, sales in China, which had been strong up to now, declined more than expected due to remained 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. Although the slowdown of the China market is expected to continue for the time being despite the recovery trend, the recognition of the YA-MAN brand in the country is high, and we regard this as a temporary drop that would continue until the situation recovers. In addition, in order to establish a system that can cope with such rapid changes in China, in addition to the sales through distributors, we have made a full-fledged entry into the B2C business in China through newly established YA-MAN (ZHEJIANG) E-COMMERCE CO., LTD. in January 2024. Through such and other efforts, we aim to review the sales channels and product lineups and recover sales. A conservative and precautionary allowance for doubtful accounts for a portion of accounts receivable -trade from China has been recorded, considering the ALPS treated water issue in China, the market turmoil due to the RF regulations, and the stagnant economic environment in China. At this time, no specific losses from bad debts or uncollected amounts have occurred.

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. Regarding investments in new categories, because 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.

Business segment performance was as follows.

1) Home shopping sales

Sales in this segment represent sales to individuals customers through TV shopping business operators, sales to

catalog sales companies, and sales to companies that sell products exclusively on the Internet.

In the fiscal year under review, sales of new products were delayed, and sales of existing products took center stage. Accordingly, segment sales decreased 36.8% year-on-year to 4,215 million yen and segment profit decreased 60.4% year-on-year to 911 million yen.

2) Store sales

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

In the fiscal year under review, the flagship store “YA-MAN the store GINZA” that opened in November 2023 performed well, and there was a return of flow of people to storefronts such as home appliance stores and department stores. However, due to the increasing competition in existing categories and the time required for new categories to generate sales due to front-loaded investment, segment sales decreased 6.0% year-on-year to 7,473 million yen and segment profit decreased 45.5% year-on-year to 994 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 fiscal year under review, although we focused on advertisement investments in repeat sales at our own e-commerce site, due to the impact of the suspension of our e-commerce site when the new system was replaced, segment sales decreased 14.3% year-on-year to 8,498 million yen, and segment profit decreased 41.7% year-on-year to 2,672 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 fiscal year under review, as described above, sales to China were significantly affected by 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, as well as by the various conditions in China, resulting in a recording of a conservative and precautionary allowance for doubtful accounts for a portion of accounts receivable-trade from China. As a result, segment sales decreased 37.1% year-on-year to 11,256 million yen and segment profit decreased 55.4% year-on-year to 3,067 million yen.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets as of April 30, 2024 decreased by 1,889 million yen (6.1%) from the end of the previous fiscal year to 29,090 million yen. This is mainly attributable to a decrease in merchandise and finished goods of 1,061 million yen and a decrease in notes and accounts receivable - trade, and contract assets of 101 million yen, despite an increase in property, plant and equipment of 356 million yen due to increased capital investment and an increase in cash and deposits of 459 million yen.

Total liabilities as of April 30, 2024 decreased by 1,567 million yen (28.3%) from the end of the previous fiscal year to 3,976 million yen. This is mainly attributable to a decrease in notes and accounts payable - trade of 738 thousand yen, a decrease in income taxes payable of 476 million yen, a decrease in accounts payable - other of 298 million yen, and a decrease in long-term borrowings of 606 million yen.

Total net assets as of April 30, 2024 decreased by 322 million yen (1.3%) from the end of the previous fiscal year to 25,113 million yen. This is mainly attributable to a decrease in retained earnings of 316 million yen resulting from the payment of 715 million yen in dividends from surplus, despite the recording of 398 million yen in profit

attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (collectively, “funds”) as of April 30, 2024 increased by 459 million yen (2.9%) from the end of the previous fiscal year to 16,151 million yen.

1) Cash flows from operating activities

Funds provided by operating activities were 1,931 million yen (986 million yen was provided in the previous fiscal year).

This is mainly due to profit before income taxes of 978 million yen, income taxes paid of 1,341 million yen, a decrease in inventories of 1,097 million yen, and a decrease in accounts payable - other of 314 million yen.

Compared to the previous fiscal year, profit before income taxes turned from 5,837 million yen to 978 million yen. However, in addition to inventories turning from an increase of 1,011 million yen to a decrease of 1,097 million yen, the use of funds decreased, such as a decrease in income taxes paid from 3,052 million yen to 1,341 million yen, resulting in a higher inflow of funds than in the previous fiscal year.

2) Cash flows from investing activities

Funds used in investing activities were 950 million yen (632 million yen was used in the previous fiscal year).

This is mainly due to the purchase of property, plant and equipment, such as the flagship store “YA-MAN the store GINZA” opened in November 2023 and molds, of 646 million yen and the purchase of intangible assets such as software of 304 million yen.

As the YA-MAN Group actively continued investing during the fiscal year under review, the use of funds exceeded the previous fiscal year.

3) Cash flows from financing activities

Funds used in financing activities were 1,347 million yen (1,223 million yen was used in the previous consolidated fiscal year).

This is mainly due to dividends paid of 714 million yen and repayment of long-term borrowings of 624 million yen.

In the fiscal year under review, the use of funds exceeded that of the previous fiscal year due to the payment of a commemorative dividend for the 45th founding anniversary.

Trends in cash flow-related indicators are as follows:

Fiscal year ended April 30	2020	2021	2022	2023	2024
Equity ratio (%)	77.3	65.3	72.3	82.1	86.3
Market-based equity ratio (%)	217.6	317.9	223.5	208.0	179.9
Cash flow to interest-bearing debt ratio (years)	0.3	0.6	0.4	1.4	0.4
Interest coverage ratio (times)	99.0	263.6	349.8	42.5	93.4

Equity ratio: equity/total assets

Market-based equity ratio: market capitalization / total assets

Cash flow to interest-bearing debt ratio: interest-bearing debt/cash flow

Interest coverage ratio: cash flow/interest payment

Notes: 1. All calculations are based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.

3. Operating cash flow is used for cash flow.

4. Interest-bearing debt covers all debt on which interest is paid among the debt recorded on the consolidated balance sheets.

(4) Future Outlook

The YA-MAN Group formulated a new medium-term management plan, “Going Global Strategy,” and set out its path to becoming a global brand company, and has also announced that it is aiming for net sales of 70.0 billion yen in the medium term (by the end of the fiscal year ending April 30, 2028).

In order to achieve this, the YA-MAN Group will strengthen investment in branding, R&D, and overseas expansion, and strive to further expand each sales channel.

However, in overseas operations, recovery is expected to take time in China due to the impact of the ALPS treated water issue, market turmoil related to the RF regulations, and the stagnation of China’s domestic economic environment. Therefore, the net sales target of 50.0 billion yen planned for the fiscal year ending April 30, 2025 in the medium-term management plan is expected to be delayed by one year.

There is no change to the target of net sales of 70.0 billion yen for the fiscal year ending April 30, 2028.

The consolidated earnings forecasts for the fiscal year ending April 30, 2025 are: a net sales increase of 9.3% year-on-year to 35,000 million yen due to full-year sales of the Ginza flagship store in Japan and increased sales in new categories, as well as full-year sales overseas at YA-MAN (ZHEJIANG) E-COMMERCE CO., LTD., which was established in January 2024. In addition, due to factors including a review of effective advertising expenses and a decrease in the provision of allowance for doubtful accounts and loss on valuation of inventories recorded in the previous fiscal year, YA-MAN Group forecasts an operating profit increase of 500.6% to 2,500 million yen, an ordinary profit increase of 117.6% to 2,200 million yen, and a profit attributable to owners of parent increase of 289.1% to 1,550 million yen.

2. Basic Policy on Selection of Accounting Standards

With consideration for the comparability of consolidated financial statements between periods and comparability between companies, the YA-MAN Group’s policy is to prepare consolidated financial statements in accordance with Japanese standards for the time being.

The Group will consider the timing of application of International Financial Reporting Standards (IFRS) based on future business development and trends in Japan and abroad.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of April 30, 2023	As of April 30, 2024
Assets		
Current assets		
Cash and deposits	16,146,142	16,605,688
Notes and accounts receivable - trade, and contract assets	*1 4,935,153	*1 4,834,018
Merchandise and finished goods	4,018,266	2,956,659
Work in process	8,030	22,500
Raw materials and supplies	1,106,204	1,077,383
Accounts receivable - other	936,297	506,232
Income taxes refund receivable	1,291	101,565
Other	1,415,310	892,319
Allowance for doubtful accounts	-	(980,000)
Total current assets	28,566,696	26,016,368
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	*3 262,914	*3 493,025
Machinery, equipment and vehicles, net	53,221	104,068
Land	*3 158,177	*3 158,177
Leased assets, net	19,415	21,154
Construction in progress	5,905	17,634
Other, net	43,960	105,608
Total property, plant and equipment	*4 543,594	*4 899,670
Intangible assets		
Other	590,776	690,351
Total intangible assets	590,776	690,351
Investments and other assets		
Investment securities	300,000	300,000
Shares of subsidiaries and associates	77,981	107,940
Deferred tax assets	362,578	562,309
Other	537,899	513,515
Total investments and other assets	1,278,459	1,483,765
Total non-current assets	2,412,829	3,073,786
Total assets	30,979,525	29,090,155

(Thousand yen)

	As of April 30, 2023	As of April 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*3 1,521,045	*3 782,389
Current portion of long-term borrowings	*3 624,000	*3 606,000
Lease liabilities	9,498	8,878
Accounts payable - other	1,421,382	1,122,713
Income taxes payable	494,696	18,103
Provision for bonuses	112,565	122,033
Other	*2 498,564	*2 467,013
Total current liabilities	4,681,752	3,127,132
Non-current liabilities		
Long-term borrowings	*3 706,000	*3 100,000
Lease liabilities	12,500	14,194
Liabilities from application of equity method	143,326	735,095
Total non-current liabilities	861,827	849,290
Total liabilities	5,543,580	3,976,423
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	24,688,019
Treasury shares	(2,887,118)	(2,887,118)
Total shareholders' equity	25,363,201	25,047,128
Accumulated other comprehensive income		
Foreign currency translation adjustment	72,743	66,603
Total accumulated other comprehensive income	72,743	66,603
Total net assets	25,435,945	25,113,731
Total liabilities and net assets	30,979,525	29,090,155

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Net sales	42,996,308	32,023,828
Cost of sales	*1 16,849,147	*1 12,895,064
Gross profit	26,147,160	19,128,764
Selling, general and administrative expenses		
Advertising expenses	11,873,911	8,944,460
Outsourcing expenses	1,505,932	1,856,816
Provision of allowance for doubtful accounts	(136)	980,000
Salaries and allowances	1,275,388	1,434,496
Bonuses	63,302	47,623
Provision for bonuses	112,565	122,033
Retirement benefit expenses	29,659	34,164
Depreciation	201,596	214,240
Research and development expenses	*2 845,177	*2 932,543
Other	4,104,944	4,146,105
Total selling, general and administrative expenses	20,012,341	18,712,485
Operating profit	6,134,819	416,279
Non-operating income		
Interest income	1,477	1,644
Dividend income	10,781	12,000
Foreign exchange gains	300,107	1,151,071
Other	12,647	5,280
Total non-operating income	325,013	1,169,997
Non-operating expenses		
Interest expenses	23,810	21,060
Guarantee commission	3,990	3,685
Loss on sale of trade receivables	3,492	2,810
Share of loss of entities accounted for using equity method	457,333	541,868
Donations	*3 52,000	—
Other	1,701	5,994
Total non-operating expenses	542,327	575,418
Ordinary profit	5,917,504	1,010,857
Extraordinary income		
Settlement income	1,350	—
Total extraordinary income	1,350	—
Extraordinary losses		
Loss on retirement of non-current assets	*4 24,392	*4 31,886
Contributions of loss	*5 57,457	—
Total extraordinary losses	81,849	31,886
Profit before income taxes	5,837,005	978,971
Income taxes - current	1,772,990	780,372
Income taxes - deferred	150,873	(199,731)
Total income taxes	1,923,864	580,640
Profit	3,913,141	398,330
Profit attributable to owners of parent	3,913,141	398,330

Consolidated Statements of Comprehensive Income

(Thousand yen)

	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Profit	3,913,141	398,330
Other comprehensive income		
Foreign currency translation adjustment	8,374	55,080
Share of other comprehensive income of entities accounted for using equity method	9,251	(61,220)
Total other comprehensive income	17,626	(6,140)
Comprehensive income	3,930,767	392,190
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,930,767	392,190
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended April 30, 2023

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,813,796	1,432,431	21,678,982	(2,887,118)	22,038,091
Changes during period					
Dividends of surplus			(591,478)		(591,478)
Profit attributable to owners of parent			3,913,141		3,913,141
Other			3,447		3,447
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,325,110	–	3,325,110
Balance at end of period	1,813,796	1,432,431	25,004,092	(2,887,118)	25,363,201

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	55,117	55,117	22,093,208
Changes during period			
Dividends of surplus			(591,478)
Profit attributable to owners of parent			3,913,141
Other			3,447
Net changes in items other than shareholders' equity	17,626	17,626	17,626
Total changes during period	17,626	17,626	3,342,736
Balance at end of period	72,743	72,743	25,435,945

Fiscal year ended April 30, 2024

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,813,796	1,432,431	25,004,092	(2,887,118)	25,363,201
Changes during period					
Dividends of surplus			(715,275)		(715,275)
Profit attributable to owners of parent			398,330		398,330
Other			871		871
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(316,073)	—	(316,073)
Balance at end of period	1,813,796	1,432,431	24,688,019	(2,887,118)	25,047,128

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	72,743	72,743	25,435,945
Changes during period			
Dividends of surplus			(715,275)
Profit attributable to owners of parent			398,330
Other			871
Net changes in items other than shareholders' equity	(6,140)	(6,140)	(6,140)
Total changes during period	(6,140)	(6,140)	(322,213)
Balance at end of period	66,603	66,603	25,113,731

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Cash flows from operating activities		
Profit before income taxes	5,837,005	978,971
Depreciation	374,622	436,740
Contributions of loss	57,457	–
Share of loss (profit) of entities accounted for using equity method	457,333	541,868
Increase (decrease) in allowance for doubtful accounts	(136)	980,000
Increase (decrease) in provision for bonuses	32,472	9,468
Increase decrease in refund liabilities	158,595	(78,111)
Interest and dividend income	(12,258)	(13,644)
Interest expenses	23,810	21,060
Foreign exchange losses (gains)	(360,673)	(806,455)
Loss on retirement of non-current assets	24,392	31,886
Settlement income	(1,350)	–
Decrease (increase) in trade receivables	259,613	109,265
Decrease (increase) in consumption taxes refund receivable	(400,361)	418,596
Decrease (increase) in accounts receivable - other	(2,445)	430,437
Decrease (increase) in prepaid expenses	102,942	25,513
Decrease (increase) in inventories	(1,011,424)	1,097,898
Increase (decrease) in trade payables	(433,581)	(686,297)
Increase (decrease) in accounts payable - other	(811,328)	(314,556)
Increase decrease in contract liabilities	(123,081)	399
Other, net	(128,451)	85,606
Subtotal	4,043,152	3,268,646
Interest and dividends received	12,259	13,633
Interest paid	(23,195)	(20,683)
Settlement received	1,350	–
Income taxes paid	(3,052,843)	(1,341,492)
Income taxes refund	5,428	11,227
Net cash provided by (used in) operating activities	986,150	1,931,330
Cash flows from investing activities		
Purchase of property, plant and equipment	(203,428)	(646,962)
Purchase of intangible assets	(151,039)	(304,198)
Payments into time deposits	(624,157)	(624,158)
Proceeds from withdrawal of time deposits	624,157	624,157
Payments of leasehold and guarantee deposits	(289,473)	(5,908)
Other, net	11,902	6,264
Net cash provided by (used in) investing activities	(632,039)	(950,805)

(Thousand yen)

	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(624,000)	(624,000)
Repayments of lease liabilities	(8,625)	(8,831)
Dividends paid	(591,305)	(714,678)
Net cash provided by (used in) financing activities	(1,223,931)	(1,347,509)
Effect of exchange rate change on cash and cash equivalents	366,852	826,530
Net increase (decrease) in cash and cash equivalents	(502,967)	459,546
Cash and cash equivalents at beginning of period	16,194,952	15,691,984
Cash and cash equivalents at end of period	* 15,691,984	* 16,151,530

(5) Notes to Consolidated Financial Statements
(Notes on going concern assumption)

There is no relevant information.

(Significant accounting policies for preparation of consolidated financial statements)

1. Scope of consolidation

All subsidiaries are consolidated.

Number of consolidated subsidiaries: 4

Names of consolidated subsidiaries: LABO WELL Co., YA-MAN U.S.A. LTD., YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD, YA-MAN (ZHEJIANG) E-COMMERCE CO., LTD.

2. Application of equity method

(1) Number of affiliates accounted for using equity method and names of major affiliates accounted for using equity method

The equity method is applied to all affiliates.

Number of affiliates: 2

Names of affiliates: MACHERIE BEAUTY TECHNOLOGY CO., LTD, EFFECTIM Company, Limited

(2) Specific information deemed necessary about application of equity method

For companies accounted for using equity method with closing dates other than the consolidated closing date, their provisional financial statements are used.

3. Fiscal year, etc. of consolidated subsidiaries

YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD, YA-MAN (ZHEJIANG) E-COMMERCE CO., LTD. whose fiscal year-end is December 31 and different from the Group's consolidated fiscal year-end are consolidated based on their provisional financial statements as of the consolidated fiscal year-end.

4. Accounting policies

(1) Valuation standards and valuation method for significant assets

(i) Securities

a. Available-for-sale securities

Securities other than shares, etc. without a market price

Market value method

(Valuation differences are included directly in net assets, and the cost of securities sold is determined by the moving-average method.)

Shares, etc. without a market price

Cost method based on the moving-average method

(ii) Receivables and payables arising from derivative transactions

Market value method

(iii) Inventories

a. Merchandise, finished goods, raw materials and work in process

Cost method based on the moving-average method

(Figures on the balance sheets are calculated by writing down book values based on the decline in profitability.)

b. Supplies

Last purchase cost method

(Figures on the balance sheets are calculated by writing down book values based on the decline in profitability.)

- (2) Depreciation method for significant depreciable assets
- (i) Property, plant and equipment (excluding leased assets)
Declining-balance method. However, the straight-line method is used for buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016.
The main useful lives are as follows:
Buildings: 10 to 50 years, Machinery and equipment: 2 to 17 years
- (ii) Intangible assets (excluding leased assets)
Straight-line method
Software (for internal use) is amortized by the straight-line method over the estimated useful life (5 years).
- (iii) Leased assets
Leased assets related to finance leases that do not transfer ownership
Straight-line method assuming the lease term as the useful life of the asset with no residual value
- (3) Accounting standards for significant allowances and provisions
- (i) Allowance for doubtful accounts
To prepare for possible losses on uncollectable receivables, the Company records estimated uncollectible amounts based on the historical loan loss ratio for general receivables and based on an individual assessment of the collectability of specific doubtful receivables.
- (ii) Provision for bonuses
To provide for the payment of bonuses to employees, the Company records the estimated amount of future payments attributable to the fiscal year under review.
- (4) Accounting standards for revenues and expenses
Revenue from the sale of finished goods or merchandise is recognized at the amount expected to be received for finished goods or merchandise, based on the judgment that the performance obligation is satisfied at the point of delivery of the finished goods or merchandise under the sales contract with the customer.
The alternative treatment set forth in Paragraph 98 of the Revenue Recognition Guidance is applied and revenue from the sale of merchandise or finished goods is recognized at the time of shipment if the period from the time of shipment to the time when control of the merchandise or finished goods is transferred to the customer is a normal period of time.
- (5) Scope of funds on consolidated statements of cash flows
Cash and cash equivalents consist of cash on hand, cash in banks that can be withdrawn at any time, and readily marketable short-term investments with a maturity of three months or less from the time of acquisition and little risk of changes in value.

(Consolidated balance sheets)

*1 Receivables and contract assets arising from contracts with customers included in notes and accounts receivable - trade, and contract assets, are as follows:

	(Thousand yen)	
	As of April 30, 2023	As of April 30, 2024
Notes receivable - trade	15,796	12,748
Accounts receivable - trade	4,919,356	4,821,269
Contract assets	-	-
Total	4,935,153	4,834,018

*2 The amount of contract liabilities included in other current liabilities, is as follows:

	(Thousand yen)	
	As of April 30, 2023	As of April 30, 2024
Contract liabilities	16,531	17,418

*3 Assets pledged as collateral and obligations relating to collateral are as follows:

(1) Assets pledged as collateral

	(Thousand yen)	
	As of April 30, 2023	As of April 30, 2024
Buildings	36,439	32,774
Land	153,865	153,865
Total	190,304	186,640

(2) Obligations relating to collateral

	(Thousand yen)	
	As of April 30, 2023	As of April 30, 2024
Notes payable - trade (letters of credit)	70,272	-
Current portion of long-term borrowings	384,000	366,000
Long-term borrowings	426,000	60,000
Total	880,272	426,000

*4 Accumulated depreciation of property, plant and equipment

	(Thousand yen)	
	As of April 30, 2023	As of April 30, 2024
Accumulated depreciation of property, plant and equipment	1,586,780	1,857,663

*5 The Company has executed overdraft agreements with two banks for the efficient procurement of working capital.

Unused credit lines, etc. under the overdraft agreements at the end of the fiscal year are as follows:

	(Thousand yen)	
	As of April 30, 2023	As of April 30, 2024
Maximum amount of the overdraft	500,000	500,000
Balance of loans	-	-
Unused credit lines	500,000	500,000

(Consolidated statements of income)

*1 Write-downs (reversals) of book value due to decreased profitability of inventories held for sale in the ordinary course of business are as follows:

	(Thousand yen)	
	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Cost of sales	(19,963)	100,422

*2 Research and development expenses included in general and administrative expenses are as follows:

	(Thousand yen)	
	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Research and development expenses	845,177	932,543

*3 Donations

The Company has donated amount to cover operating expenses for the next four years as funding for the scholarship project to the YA-MAN Scholarship Foundation, a general incorporated foundation established in September 2021, and this amount was recorded as a non-operating expense.

The foundation has been recognized by the Tokyo Metropolitan Government as conforming to public interest certification standards, and it transitioned to a public interest incorporated foundation on February 1, 2023.

	(Thousand yen)	
	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Donations	52,000	-

*4 Breakdown of loss on retirement of non-current assets is as follows:

	(Thousand yen)	
	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Buildings and structures	19,116	18,905
Tools, furniture and fixtures	375	297
Other in intangible assets (intellectual property rights in preparation)	4,899	12,683
Total	24,392	31,886

*5 Contributions of loss

For the fiscal year ended April 30, 2023

The Company pays a reasonable share of costs for disposal of inventory of parts by contract manufacturers in order to maintain business relationship, and recorded such amount as an extraordinary loss.

(Consolidated statements of changes in equity)

I. For the fiscal year ended April 30, 2023

1. Issued shares

				(Shares)
Class of shares	As of May 1, 2022	Increase	Decrease	As of April 30, 2023
Common stock	58,348,880	-	-	58,348,880

2. Treasury shares

				(Shares)
Class of shares	As of May 1, 2022	Increase	Decrease	As of April 30, 2023
Common stock	3,327,668	-	-	3,327,668

3. Share acquisition rights, etc.

There is no relevant information.

4. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividend (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on July 28, 2022	Common stock	357,637	6.50	April 30, 2022	July 29, 2022
Board of Directors meeting held on December 13, 2022	Common stock	233,840	4.25	October 31, 2022	January 5, 2023

Note: The dividend per share resolved at the Annual General Meeting of Shareholders held on July 28, 2022 includes a special dividend of 4.50 yen.

(2) Dividends with a record date in the current fiscal year and an effective date in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividend (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on July 27, 2023	Common stock	Retained earnings	481,435	8.75	April 30, 2023	July 28, 2023

Note: The dividend per share includes a commemorative dividend for the 45th founding anniversary of 4.50 yen.

II. For the fiscal year ended April 30, 2024

1. Issued shares

(Shares)

Class of shares	As of May 1, 2023	Increase	Decrease	As of April 30, 2024
Common stock	58,348,880	–	–	58,348,880

2. Treasury shares

(Shares)

Class of shares	As of May 1, 2023	Increase	Decrease	As of April 30, 2024
Common stock	3,327,668	–	–	3,327,668

3. Share acquisition rights, etc.

There is no relevant information.

4. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividend (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on July 27, 2023	Common stock	481,435	8.75	April 30, 2023	July 28, 2023
Board of Directors meeting held on December 13, 2023	Common stock	233,840	4.25	October 31, 2023	January 5, 2024

Note: The dividend per share resolved at the Annual General Meeting of Shareholders held on July 27, 2023 includes a commemorative dividend for the 45th founding anniversary of 4.50 yen.

(2) Dividends with a record date in the current fiscal year and an effective date in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividend (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on July 26, 2024	Common stock	Retained earnings	261,350	4.75	April 30, 2024	July 29, 2024

(Consolidated statements of cash flows)

* Reconciliation of cash and cash equivalents at end of period and accounts reported in the consolidated balance sheets consists of the following:

(Thousand yen)

	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Cash and deposits	16,146,142	16,605,688
Time deposits with deposit periods exceeding 3 months	(454,157)	(454,158)
Cash and cash equivalents	15,691,984	16,151,530

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The YA-MAN Group's reportable segments are components of the Company for which separate financial information is available and which are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluating performance.

The YA-MAN Group is made up of segments based on sales channels. There are four reportable segments, namely, home shopping sales, store sales, direct sales, and overseas operations.

Finished goods and merchandise sold by the YA-MAN Group are mainly classified into "beauty appliances," "wellness appliances and fitness equipment," and "cosmetics and various healthcare products," and are sold by each reporting segment.

2. Calculation method for net sales, profit or loss, and other items by reportable segment

Accounting policies for the reported business segments are generally the same as those described in "Significant accounting policies for preparation of consolidated financial statements." Profit by reportable segment is based on operating profit. Intersegment profits and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, other items, and information on disaggregation of revenue, by reportable segment

I. For the fiscal year ended April 30, 2023

(Thousand yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Home shopping sales	Store sales	Direct sales	Overseas operations	Total				
Net sales									
Revenue from contracts with customers	6,666,868	7,953,879	9,922,142	17,894,298	42,437,189	559,119	42,996,308	–	42,996,308
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	6,666,868	7,953,879	9,922,142	17,894,298	42,437,189	559,119	42,996,308	–	42,996,308
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	6,666,868	7,953,879	9,922,142	17,894,298	42,437,189	559,119	42,996,308	–	42,996,308
Segment profit	2,299,568	1,826,322	4,587,896	6,870,475	15,584,262	268,460	15,852,722	(9,717,903)	6,134,819
Other items									
Depreciation	–	–	–	–	–	–	–	374,622	374,622

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 (9,717,903) thousand yen includes the elimination of intersegment transactions of 31,200 thousand yen, corporate expenses of (9,709,497) thousand yen that are not allocated to each reportable segment, and elimination of unrealized profit of (39,605) 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 consolidated statements of income.

4. "Segment assets" and "Increase in property, plant and equipment and intangible assets" are omitted because the YA-MAN Group does not allocate assets to reportable segments.

II. For the fiscal year ended April 30, 2024

(Thousand yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Home shopping sales	Store sales	Direct sales	Overseas operations	Total				
Net sales									
Revenue from contracts with customers	4,215,101	7,473,231	8,498,350	11,256,694	31,443,377	580,451	32,023,828	–	32,023,828
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	4,215,101	7,473,231	8,498,350	11,256,694	31,443,377	580,451	32,023,828	–	32,023,828
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	4,215,101	7,473,231	8,498,350	11,256,694	31,443,377	580,451	32,023,828	–	32,023,828
Segment profit	911,684	994,756	2,672,589	3,067,354	7,646,385	301,349	7,947,735	(7,531,456)	416,279
Other items									
Depreciation	–	–	–	–	–	–	–	436,740	436,740

- 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 (7,531,456) thousand yen includes the elimination of intersegment transactions of 31,200 thousand yen and corporate expenses of (7,562,656) 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 consolidated statements of income.
 4. “Segment assets” and “Increase in property, plant and equipment and intangible assets” are omitted because the YA-MAN Group does not allocate assets to reportable segments.

(Per share information)

	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Net assets per share	462.29 yen	456.44 yen
Net income per share	71.12 yen	7.24 yen

Notes: 1. Diluted net income per share is not reported as there are no shares with dilutive effects.

2. The basis for calculating net assets per share is as follows:

Item	As of April 30, 2023	As of April 30, 2024
Total net assets (thousand yen)	25,435,945	25,113,731
Amount deductible from total net assets (thousand yen)	–	–
Net assets related to common stock as of the end of the fiscal year (thousand yen)	25,435,945	25,113,731
Number of shares of common stock as of the end of the fiscal year used for calculating net assets per share (shares)	55,021,212	55,021,212

3. The basis for calculating net income per share is as follows:

Item	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Net income per share		
Profit attributable to owners of parent (thousand yen)	3,913,141	398,330
Amount not attributable to common shareholders (thousand yen)	–	–
Profit attributable to owners of parent relating to common stock (thousand shares)	3,913,141	398,330
Average number of shares of common stock during the period (shares)	55,021,212	55,021,212

(Significant subsequent events)

There is no relevant information.