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



September 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: -
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 Three Months Ended July 31, 2024 (May 1, 2024 – July 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	%
Three months ended Jul. 31, 2024	5,748	(40.3)	194	(88.4)	15	(99.1)	△84	(-)
Three months ended Jul. 31, 2023	9,627	(17.6)	1,674	(6.2)	1,816	(13.7)	1,142	(17.3)

Note: Comprehensive income (million yen) Three months ended Jul. 31, 2024: △78 (—%)
Three months ended Jul. 31, 2023: 1,173 (down 16.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jul. 31, 2024	△1.54	-
Three months ended Jul. 31, 2023	20.77	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jul. 31, 2024	28,865	24,774	85.8
As of Apr. 30, 2024	29,090	25,113	86.3

Reference: Shareholders' equity (million yen) As of Jul. 31, 2024: 24,774
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	-				
Fiscal year ending Apr. 30, 2025 (Forecast)		4.25	-	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

2. 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) 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 Jul. 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 Jul. 31, 2024: 3,327,698 shares As of Apr. 30, 2024: 3,327,668 shares
 - 3) Average number of shares outstanding during the period
Three months ended Jul. 31, 2024: 55,021,209 shares Three months ended Jul. 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, September 13, 2024.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter (May 1, 2024 to July 31, 2024) of the current fiscal year, the Japanese economy saw gradual normalization of economic activities as inbound demand rose and both the employment and income environments improved. However, uncertainty regarding the future of economy remained due to rising global resource prices and raw material prices which remained high, the depreciation of the yen, and changes in consumer sentiment due to the soaring prices of commodities, etc.

Under these circumstances, the YA-MAN Group announced its new medium-term management plan, “Going Global Strategy” in June 2023. Under this plan, the Group aims to achieve 70.0 billion yen in net sales by the fiscal year ending April 30, 2028 and has worked to reach this target through R&D and overseas investment while optimizing its sales channels in the home shopping sales, store sales, direct sales, and overseas operations.

In its overseas operations, due in part to the effects of the economic stagnation in China, for the three months under review, net sales decreased 40.3% year-on-year to 5,748 million yen, operating profit decreased 88.4% year-on-year to 194 million yen, ordinary profit decreased 99.1% year-on-year to 15 million yen, and loss attributable to owners of parent was 84 million yen (profit attributable to owners of parent was 1,142 million yen in the same period of the previous fiscal year). 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 three months under review, although terrestrial TV shopping struggled, sales to shopping channels and catalog sales companies were solid. As a result, segment sales increased 2.6% year-on-year to 1,133 million yen and segment profit decreased 13.5% year-on-year to 300 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 three 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 14.8% year-on-year to 1,972 million yen, and segment profit increased 13.4% year-on-year to 457 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 three 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 21.7% year-on-year to 1,650 million yen and segment profit decreased 42.8% year-on-year to 421 million yen.

4) Overseas operations

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

In the three months under review, there was market turmoil for RF-equipped beauty equipment caused by RF regulations, and we were affected by the economic stagnation in China. As a result, segment sales decreased 79.7% year-on-year to 943 million yen and segment profit decreased 86.5% year-on-year to 273 million yen.

(2) Explanation of Financial Position

Total assets as of July 31, 2024 decreased by 224 million yen from the end of the previous fiscal year to 28,865 million yen.

This is mainly attributable to a decrease in merchandise and finished goods of 76 million yen, a decrease in notes and accounts receivable - trade, and contract assets of 142 million yen, a decrease in accounts receivable – other of 203 million yen and a decrease in allowance for doubtful accounts of 220 million yen.

Total liabilities as of July 31, 2024 increased by 114 million yen from the end of the previous fiscal year to 4,090 million yen.

This is mainly attributable to an increase in notes and accounts payable - trade of 81 million yen and an increase in liabilities from application of equity method of 82 million yen.

Total net assets as of July 31, 2024 increased by 339 million yen from the end of the previous fiscal year to 24,774 million yen.

This is mainly attributable to a decrease in retained earnings of 345 million yen resulting from the recording of 84 million yen in loss 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

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 July 31, 2024
Assets		
Current assets		
Cash and deposits	16,605	16,722
Notes and accounts receivable - trade, and contract assets	4,834	4,691
Merchandise and finished goods	2,956	2,880
Work in process	22	59
Raw materials and supplies	1,077	1,189
Accounts receivable - other	506	303
Income taxes refund receivable	101	101
Other	892	595
Allowance for doubtful accounts	(980)	(760)
Total current assets	26,016	25,783
Non-current assets		
Property, plant and equipment	899	923
Intangible assets	690	700
Investments and other assets		
Investment securities	300	300
Shares of subsidiaries and associates	107	103
Other	1,075	1,054
Total investments and other assets	1,483	1,457
Total non-current assets	3,073	3,081
Total assets	29,090	28,865
Liabilities		
Current liabilities		
Notes and accounts payable - trade	782	864
Current portion of long-term borrowings	606	550
Accounts payable - other	1,122	1,043
Income taxes payable	18	70
Provision for bonuses	122	66
Other	475	665
Total current liabilities	3,127	3,260
Non-current liabilities		
Long-term borrowings	100	—
Liabilities from application of equity method	735	817
Other	14	13
Total non-current liabilities	849	830
Total liabilities	3,976	4,090
Net assets		
Shareholders' equity		
Share capital	1,813	1,813
Capital surplus	1,432	1,432
Retained earnings	24,688	24,342
Treasury shares	(2,887)	(2,887)
Total shareholders' equity	25,047	24,701
Accumulated other comprehensive income		
Foreign currency translation adjustment	66	73
Total accumulated other comprehensive income	66	73
Total net assets	25,113	24,774
Total liabilities and net assets	29,090	28,865

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Million yen)

	For the three months ended July 31, 2023	For the three months ended July 31, 2024
Net sales	9,627	5,748
Cost of sales	3,590	2,339
Gross profit	6,037	3,408
Selling, general and administrative expenses		
Advertising expenses	2,154	1,297
Provision of allowance for doubtful accounts	–	△220
Salaries and allowances	366	392
Provision for bonuses	63	66
Depreciation	44	55
Research and development expenses	223	211
Other	1,510	1,410
Total selling, general and administrative expenses	4,363	3,214
Operating profit	1,674	194
Non-operating income		
Interest income	0	0
Dividend income	12	21
Foreign exchange gains	382	–
Other	0	1
Total non-operating income	395	23
Non-operating expenses		
Interest expenses	5	3
Foreign exchange losses	–	71
Share of loss of entities accounted for using equity method	246	113
Other	1	13
Total non-operating expenses	253	201
Ordinary profit	1,816	15
Extraordinary losses		
Loss on retirement of non-current assets	16	3
Total extraordinary losses	16	3
Profit before income taxes	1,800	12
Income taxes	657	97
Profit (loss)	1,142	(84)
Profit attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	1,142	(84)

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the three months ended July 31, 2023	For the three months ended July 31, 2024
Profit(loss)	1,142	(84)
Other comprehensive income		
Foreign currency translation adjustment	25	(12)
Share of other comprehensive income of entities accounted for using equity method	5	18
Total other comprehensive income	30	6
Comprehensive income	1,173	(78)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,173	(78)
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 first quarter under review and multiplying quarterly profit before income taxes by such an estimated effective tax rate.

(Notes on statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first three months under review. Depreciation (including amortization of intangible assets) for the first three months under review is as follows.

	(Million yen)	
	For the three months ended July 31, 2023	For the three months ended July 31, 2024
Depreciation	70	110

(Segment information, etc.)

(Segment information)

I. For the three months ended July 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	1,104	1,719	2,109	4,648	9,580	46	9,627	–	9,627
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	1,104	1,719	2,109	4,648	9,580	46	9,627	–	9,627
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	1,104	1,719	2,109	4,648	9,580	46	9,627	–	9,627
Segment profit	347	403	736	2,025	3,513	32	3,545	(1,870)	1,674

(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 (1,870) million yen includes the elimination of intersegment transactions of 7 million yen, corporate expenses of (1,880) million yen that are not allocated to each reportable segment, and elimination of unrealized profit of 2 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 July 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	1,133	1,972	1,650	943	5,701	47	5,748	–	5,748
Revenue from other sources	–	–	–	–	–	–	–	–	–
Net sales to outside customers	1,133	1,972	1,650	943	5,701	47	5,748	–	5,748
Intersegment net sales or transfers	–	–	–	–	–	–	–	–	–
Total	1,133	1,972	1,650	943	5,701	47	5,748	–	5,748
Segment profit	300	457	421	273	1,453	34	1,487	(1,293)	194

(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 (1,293) 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.