

Results of Operations for the
Third Quarter of FY4/19
(Nine months ended January 31, 2019)

YA-MAN LTD.

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Our Vision for YA-MAN of the Future (Slogan)

A new beautiful.

(Mission Statement)

Exceptional manufacturing that transforms beauty into reality

is achieved through inexhaustible ideas and outstanding product development.

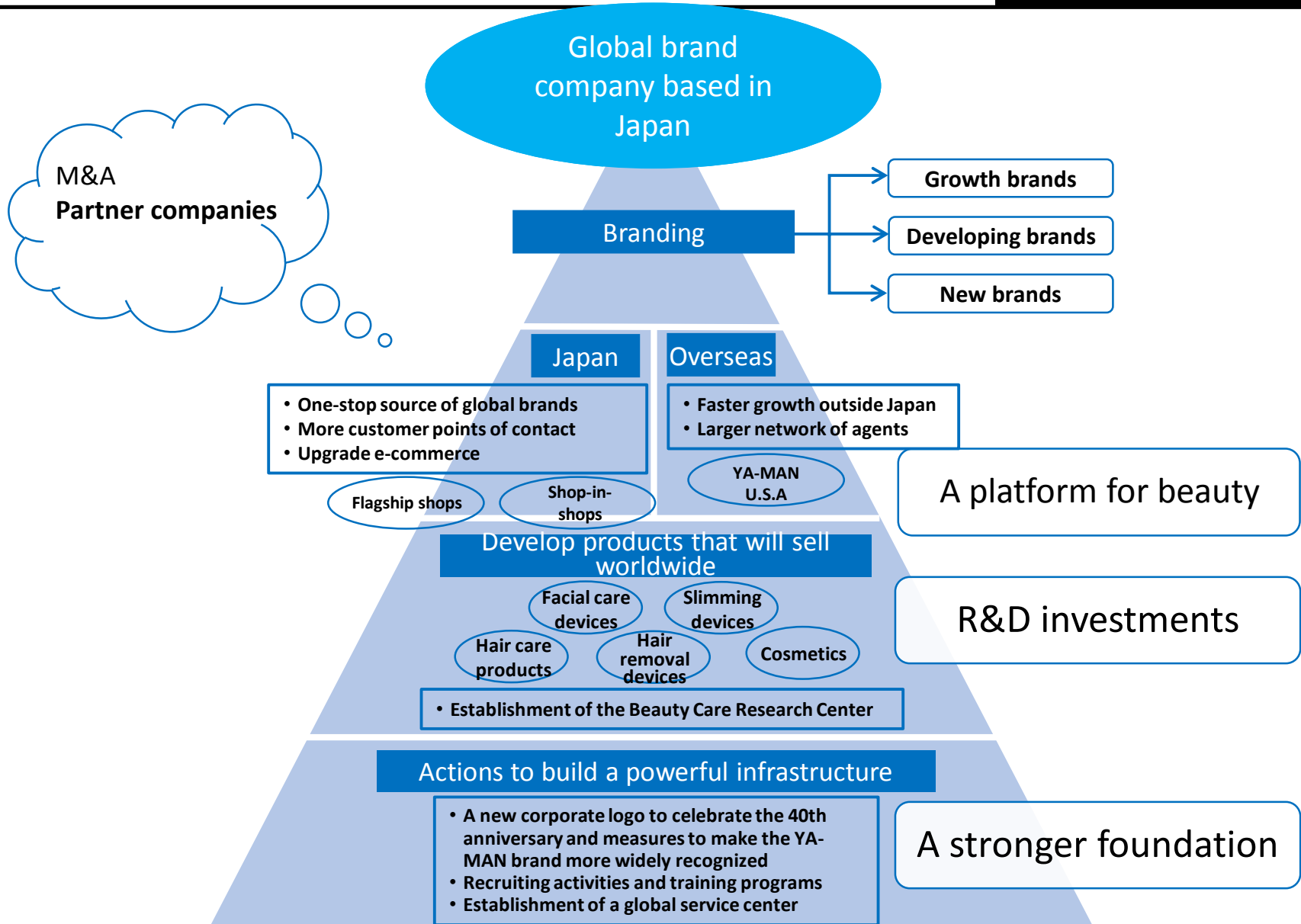
We will continue to renew our definition of “beautiful” to help attain perfect beauty

and bring delight and inspiration to the world.

(Credo)

The YA-MAN Code of Conduct

- Transform goals into accomplishments
 - Aim for originality
 - Create your own opportunities
 - Always put customers first
- Work as a team for innovation and progress



Income Statement Highlights

Sales were strong, mainly for overseas operations. There were large expenditures for our first corporate branding TV commercials, advertisements using public transportation, Internet advertisements, and other advertising and marketing activities. As a result, net sales increased 20.5%, operating profit increased 9.4%, ordinary profit increased 9.4% and profit attributable to owners of parent was up 4.6%.

Fiscal years	1Q-3Q FY4/17	1Q-3Q FY4/18	1Q-3Q FY4/19	Reference FY4/18
	(May 1, 2016 – January 31, 2017)	(May 1, 2017 – January 31, 2018)	(May 1, 2018 – January 31, 2019)	(May 1, 2017 – April 30, 2018)
Net sales (Thousands of yen)	14,867,965	17,597,715	21,213,699	23,030,230
Operating profit (Thousands of yen)	2,871,743	4,583,453	5,013,704	5,385,662
Operating margin (%)	19.3	26.0	23.6	23.4
Ordinary profit (Thousands of yen)	2,927,137	4,531,326	4,957,154	5,345,643
Profit attributable to owners of parent (Thousands of yen)	1,855,323	2,879,235	3,011,296	3,399,819
Net income per share (Yen)	32.53	50.49	53.13	59.62

Note: YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Net income per share is calculated as if this stock split had taken place at the beginning of FY4/17.

Sales by Segment

There was a big increase in overseas sales and store sales were also steady.

Direct sales decreased but earnings were higher because we have continued to make advertising expenditures with an emphasis on activities with the greatest benefits in relation to the expenses.

In the mail-order category, sales via TV shopping channels were sluggish, but sales in other sales channels started to recover.

We aim for more growth in all four of our sales channels. In addition, we will adjust the sales composition to achieve the best possible composition for these sales channels in response to changes in market conditions.

Fiscal years	1Q-3Q FY4/17	1Q-3Q FY4/18	1Q-3Q FY4/19	Reference FY4/18
	(May 1, 2016 – January 31, 2017)	(May 1, 2017 – January 31, 2018)	(May 1, 2018 – January 31, 2019)	(May 1, 2017 – April 30, 2018)
Mail-order sales (Thousands of yen)	3,688,140	3,026,590	2,632,771	3,816,292
Store sales (Thousands of yen)	4,730,820	7,687,244	7,653,056	10,058,901
Direct sales (Thousands of yen)	4,583,525	4,347,059	4,197,197	5,572,722
Overseas sales (Thousands of yen)	1,793,460	2,491,817	6,213,687	3,510,910
Other (Thousands of yen)	72,018	45,003	516,987	71,405
Total (Thousands of yen)	14,867,965	17,597,715	21,213,699	23,030,230

Operating Profit by Segment

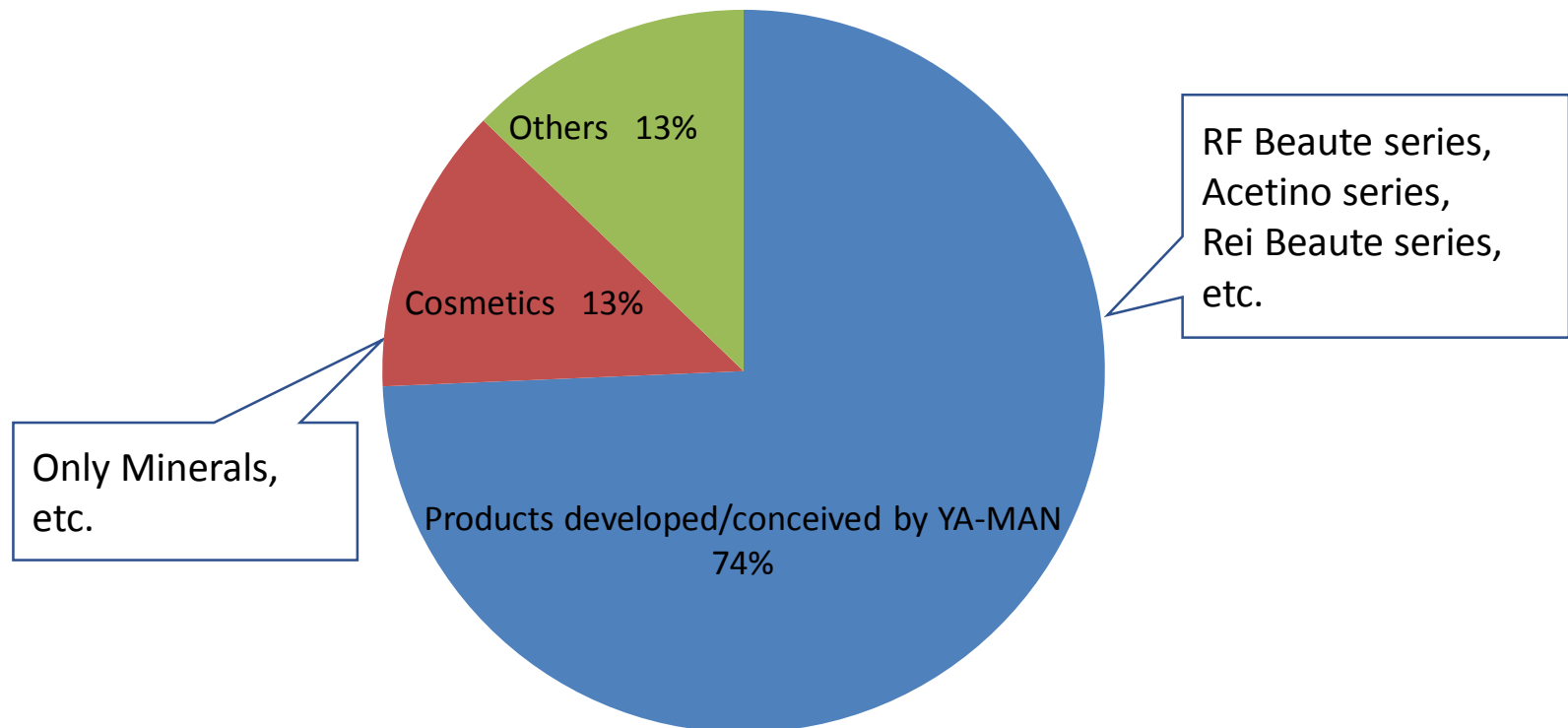
Fiscal years	1Q-3Q FY4/17	1Q-3Q FY4/18	1Q-3Q FY4/19	Reference FY4/18
	(May 1, 2016 – January 31, 2017)	(May 1, 2017 – January 31, 2018)	(May 1, 2018 – January 31, 2019)	(May 1, 2017 – April 30, 2018)
Mail-order sales (Thousands of yen)	1,565,232	1,205,492	1,129,833	1,514,283
Store sales (Thousands of yen)	2,136,255	3,471,222	3,139,710	4,460,629
Direct sales (Thousands of yen)	1,205,929	1,671,421	2,011,131	2,068,770
Overseas sales (Thousands of yen)	546,618	1,022,169	2,920,638	1,354,709
Other (Thousands of yen)	25,982	10,556	(878)	16,272
Adjustment (Thousands of yen)	(2,608,275)	(2,797,410)	(4,186,730)	(4,029,002)
Total (Thousands of yen)	2,871,743	4,583,453	5,013,704	5,385,662

Composition of Sales

In the first nine months of FY4/19, products developed by YA-MAN and products conceived by YA-MAN and made by other companies accounted for 74% of sales. Cosmetics were 13% of sales and other purchased products were 13%.

Sales of the RF Beaute series of beauty care products that use radio-frequency waves were major component of sales growth. Sales of a wearable facial massager MediLift, a beauty roller Wavy and other new products remained strong.

Only Minerals and Genie cosmetics performed well.



Balance Sheet Highlights

Notes and accounts receivable-trade, inventories, and notes and accounts payable-trade increased due to sales growth.

We plan to continue using cash and deposits for a variety of investments, such as advertising activities for reinforcing the YA-MAN brand and mergers and acquisitions for improving corporate value.

Fiscal years	3Q FY4/17 <small>(January 31, 2017)</small>	3Q FY4/18 <small>(January 31, 2018)</small>	3Q FY4/19 <small>(January 31, 2019)</small>	Reference FY4/18 <small>(April 30, 2018)</small>
Total assets (Thousands of yen)	12,871,576	16,082,707	17,013,947	16,524,115
Net assets (Thousands of yen)	8,471,016	11,358,511	12,548,635	11,877,492
Equity ratio (%)	65.8	70.6	73.8	71.9
Cash and deposits (Thousands of yen)	7,819,746	9,774,154	8,314,907	10,168,850
Notes and accounts receivable-trade (Thousands of yen)	1,344,566	2,160,749	2,213,128	2,580,729
Inventories (Thousands of yen)	1,907,583	2,054,050	2,727,435	1,408,659
Notes and accounts payable-trade (Thousands of yen)	1,065,964	1,582,728	1,542,066	1,124,343
Interest-bearing debt (Thousands of yen)	1,217,526	740,555	715,548	632,365

Upcoming Initiatives

There were many investments with a long-term perspective during the first nine months: Advertising and marketing activities centered on the YA-MAN brand, including corporate branding TV commercials; more shops inside home appliance stores; new activities for growth outside Japan (Indonesia, Vietnam, Russia); the acquisition of D-FIT Co., Ltd.; and other actions.

We will continue to make investments for growth in the future as we cut costs, create a sound internal infrastructure and make other improvements to build an even stronger framework for business operations. Our objective is to earn a reputation as “a global brand company based in Japan.”

Earnings Forecasts

There are no revisions to the forecast announced on November 19, 2018. An announcement will be made promptly if a forecast revision is needed.

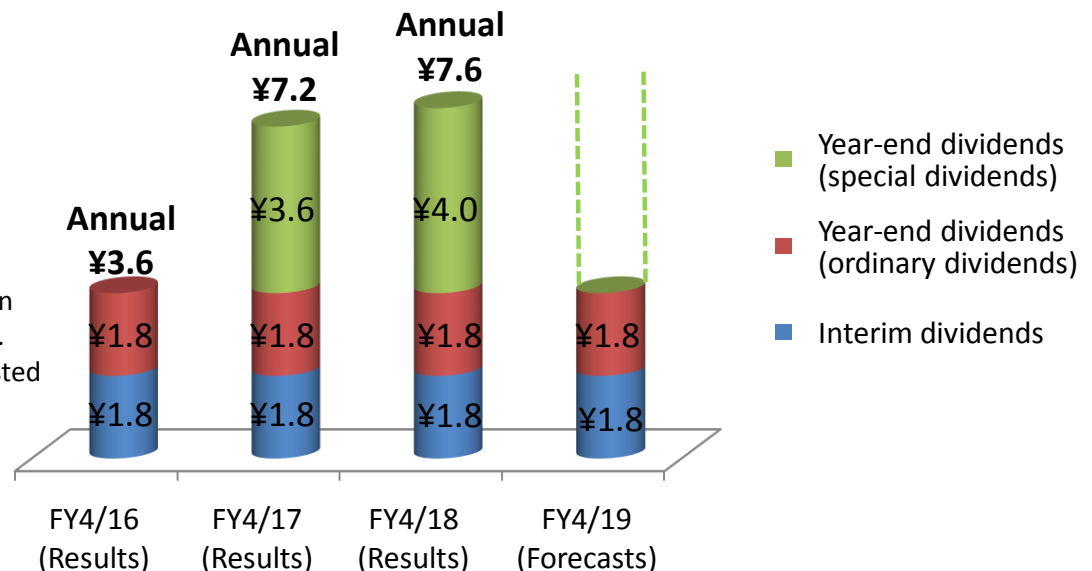
	Full year	
	Amount	YoY change (%)
Net sales (Thousands of yen)	28,093,654	22.0
Operating profit (Thousands of yen)	6,444,848	19.7
Ordinary profit (Thousands of yen)	6,470,448	21.0
Profit attributable to owners of parent (Thousands of yen)	4,014,714	18.1
Net income per share (Yen)	70.79	-

Dividends

We regard distributing earnings to shareholders as a key priority of YA-MAN.

Dividends are implemented on the principles of stability and sustainability in each fiscal year, and we will determine the final figures by comprehensively considering performance during the fiscal year.

Note: YA-MAN conducted a ten-for-one common stock split effective on November 1, 2017. Dividends per share on the right are adjusted to reflect this stock split.



- 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.
- These materials were prepared for the purpose of providing information. This is not a solicitation to purchase securities issued by YA-MAN.
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