

NOEVIR HOLDINGS

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Annual Report 2012

Year ended September 30, 2012



As a comprehensive corporate group that contributes to health and beauty, Noevir Holdings Co., Ltd. focuses on a cosmetics business that offers skincare and makeup products, while providing health foods and OTC pharmaceuticals.

As of August 31, 2012, the Company marked a new chapter in its development with the upgrading of its listing on the Tokyo Stock Exchange from the Second to the First Section.

Looking ahead, we will strive for further business growth while aiming to maximize our corporate value.

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Notes to Financial Statements

Translations of consolidated financial statements and performance in this annual report are based on the Company's quarterly financial reports prepared in accordance with disclosure conditions stipulated by the Tokyo Stock Exchange. Quarterly financial reports are prepared based on Japan's Generally Accepted Accounting Principles (Japanese GAAP).

A Discussion with Top Management



Becoming an Exceptional Presence by Strengthening Our Competitive Edge

Takashi Okura,
President and Representative Director



Q1 Over a year has passed since the founding of Noevir Holdings Co., Ltd. Also, the Company has been listed on the First Section of the Tokyo Stock Exchange. Could you share your impressions of operations during this period?

A1 Since its founding in 1964, the Noevir Group has been engaged in the creation of beauty and health, striving for the realization of affluent lifestyles for all stakeholders. To reinforce its business foundations and hone its competitive edge, the Group established the holding company Noevir Holdings on March 22, 2011. Moreover, as of August 31, 2012, the Company's listing on the Tokyo Stock Exchange was upgraded from the Second to the First Section.

Throughout its history, the Group has maintained a commitment to being a corporate

group deserving of the trust of its stakeholders. To this end, we have constantly strived to enhance our management resources, including capabilities related to branding, R&D, production technology and marketing, while aiming to make the most of such resources by integrating them.

Going forward, we will continue harnessing the strengths of our business foundations and simultaneously look to expand in new fields. In doing so, we will win greater trust in our brand and thus maximize our corporate value across the Group.

Q2 How would you assess the current operating environment?

A2 The Noevir Group focuses on the Cosmetics business, which ranges from prestige counseling cosmetics available primarily through direct sales to self-selection retail products popular with the young adult segment. The Group also offers distinctive brands targeting the pharmaceutical, food and apparel industries. To survive in the domestic market, we need to maintain strong competitiveness backed by differentiated brands and to pursue concrete strategies with regard to product development and marketing.

To put overseas markets in perspective, there has been market growth in Asian countries,

particularly China. However, there is also a sense of uncertainty due to the protracted appreciation of the yen and the European sovereign debt crisis.

Reflecting these factors, it is essential for us to make prompt decisions with regard to the fields and regions in which we should concentrate our management resources.



Noevir BIOSIGN eye serum

Q3 Please tell us about Noevir Holdings' business performance and results for fiscal 2012, from October 1, 2011, to September 30, 2012.

A3 Amid the aforementioned environment, we have steadily implemented steps toward the targets set forth in the previous medium-term management plan while continuously generating profits in Japan and accelerating expansion in Asian markets.

Specifically, we succeeded in cutting selling, general and administrative expenses by curbing fixed costs through the integration and rationalization of administrative tasks that had overlaps among Group members while streamlining sales promotion in the counseling cosmetics business. Moreover, we released a number of new high-end skincare products to reinforce lineups that contribute to profit generation.

At the same time, we aggressively expanded our overseas business. For example, compared with the previous year-end we almost doubled the

number of stores that handle our self-selection cosmetics in China to around 500.

As a result, consolidated operating income and net income totaled ¥5,150 million and ¥2,787 million, respectively, well exceeding forecasts made at the beginning of the fiscal year, against net sales of ¥47,220 million, which were below forecasts due to a decrease in sales in Other segment.



A store in China that handles self-selection cosmetics

Q4 Please tell us about the latest medium-term management plan.

A4 Amid an increasingly changing market environment, we upgraded the previous medium-term

management plan launched in October 2011 to a new plan covering fiscal 2013 through 2015 that

focuses on the theme: "generation of profit in Japan and expansion in Asian markets."

Specifically, we will work to lower operational costs while proactively exploring and entering potential growth fields in our mainstay Cosmetics



A Noevir Beauty Studio



SALON DE SPECIALE OMOTESANDO

business in Japan. In this way, we aim to establish business models with a greater profitability.

To support our overseas expansion, we will increasingly diversify and globalize human resources and our corporate structure. At the same time, we will reinforce the marketing of skincare products that bring us stable sales and profits, focusing on Asian markets. In these ways, we aim to achieve an overseas sales ratio of 10% in fiscal 2015.

In addition, we are expanding our marketing structure in China, on which we put heavy emphasis, as well as the structures serving Singapore and Malaysia while conducting market surveys in Indonesia and Philippines. Plans also call for allocating considerable management resources to North America, where there is a huge cosmetics market, through a local subsidiary.

To see the policies and numerical targets set forth in the abovementioned plan, please see page 5.

Q5 What is the outlook for fiscal 2013?

A5 Focusing on the Cosmetics business, we will pursue innovation and continuous profit generation in Japan while enhancing our brand value in Asia.

In Japan, we will reinforce the operations of Noevir Beauty Studios, which handle counseling cosmetics. We will proactively enrich the services we provide to customers at these studios. As for Asian markets, we will continue to increase the number of stores that handle our self-selection

cosmetics. In addition, we will keep considering M&A that will support the expansion of our business scale and areas, both of which, in turn, will contribute to our corporate value.

Taking these factors into consideration, our consolidated performance forecast for fiscal 2013 (from October 1, 2012, to September 30, 2013) includes net sales of ¥48,000 million, operating income of ¥6,000 million and net income of ¥3,700 million.

Q6 Finally, do you have a few words for Noevir Holdings' stakeholders?

A6 We are determined to pay out cash dividends for the year under review of ¥40 per share, including commemorative dividends of ¥4 per share to mark the Company's listing on the First Section of the Tokyo Stock Exchange. We aim to maintain dividends at a stable level, in other words, we aim to pay out ¥40 per share for fiscal 2013.

Looking ahead, the Noevir Group will continue to take on new challenges from a long-term perspective, with the goal of becoming a corporate group with an exceptional presence as well as a greater competitive edge in both Japanese and overseas markets.

Noevir at a Glance



Business Activities

The domestic and overseas markets for cosmetics, pharmaceuticals and foods that the Noevir Group operates in are undergoing rapid changes in market structure and distribution systems while seeing a diversification of customer needs. Accordingly, as it strengthens its management platform, the Group is implementing marketing strategies focused on providing services best suited to meeting the needs of the time. Simultaneously, we are clarifying our growth strategy toward the “generation of profit in Japan and expansion in Asian markets” in line with our medium-term management plan, the final year of which is fiscal 2015.

Sales in the Cosmetics Business by Sales Route



Counseling cosmetics 52%

Cosmetics principally represented by prestige skincare products, sold under Noevir brand through such direct sales channels as sales representatives and directly managed stores as well as mail order services

Self-selection cosmetics 38%

Cosmetics produced by Tokiwa Pharmaceutical Co., Ltd. that are sold through general retailers and mail order services

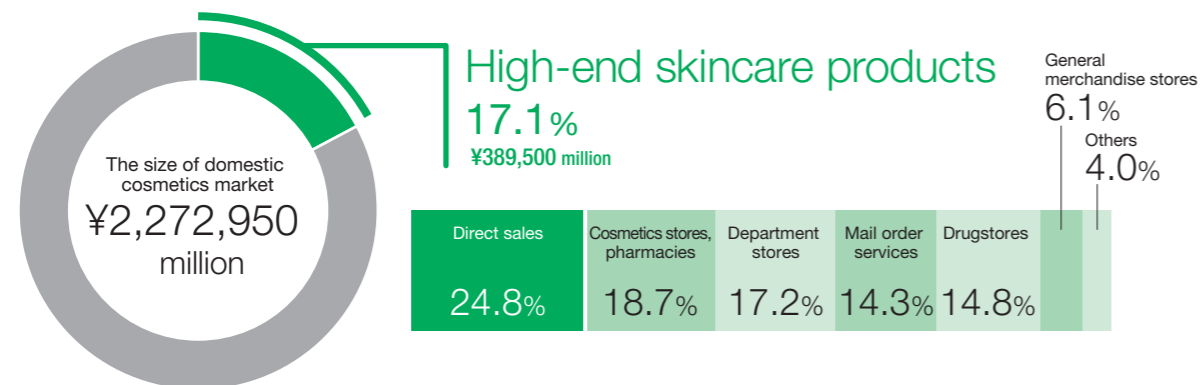
Overseas business 6%

Overseas sales of counseling cosmetics, self-selection cosmetics and health foods

OEM 4%

The contract manufacturing of cosmetics and quasi-drugs on an OEM basis, utilizing the Group's know-how in both fields

The Size of the Domestic Cosmetics Market in 2011



Medium-Term Management Plan

Targeting sustainable growth, the Noevir Group's current three-year medium-term management plan covers the fiscal 2013–2015 period. Under the five policies stated below, we are striving to improve profitability with the aim of achieving a consolidated operating income margin of 14% in fiscal 2015, the final year of the medium-term management plan.

Medium-term management plan theme:

“Generation of profit in Japan and expansion in Asian markets”

Five policies

1. Pursue innovation and continuous profit generation in Japan
2. Enhance our brand value in Asia
3. Diversify and globalize human resources and our corporate structure
4. Strengthen our manufacturing competitiveness
5. Lower operational costs

Numerical Targets and Achievements

Under the three-year medium-term management plan, we are striving to improve profitability to achieve a consolidated operating income margin of 14% in fiscal 2015.

| | Fiscal 2012 results | Fiscal 2013 forecasts | Fiscal 2014 targets | Fiscal 2015 targets |
|-----------------------------|---------------------|-----------------------|---------------------|---------------------|
| Net sales | ¥47,220 | ¥48,000 | ¥49,000 | ¥50,000 |
| Operating income | 5,150 | 6,000 | 6,400 | 7,000 |
| Ordinary income | 5,451 | 6,200 | 6,600 | 7,200 |
| Net income | 2,787 | 3,700 | 3,900 | 4,300 |
| Operating income margin (%) | 10.9% | 12.5% | 13.1% | 14.0% |
| Overseas sales ratio (%) | — | — | — | 10.0% |
| EPS (Yen) | ¥73.37 | ¥98.82 | ¥104.16 | ¥114.84 |

(Millions of yen)

Because Noevir Holdings Co., Ltd.'s previous accounting period (fiscal 2011) was an irregular accounting period, which was from March 22, 2011 through September 30, 2011, conventional year-on-year comparisons with the previous fiscal year's results cannot be presented. Instead, solely for the purpose of aiding reader comprehension, the fiscal 2011 results used to present year-on-year comparisons of fiscal 2012 and 2011 results are the totals of the consolidated results of Noevir Holdings for fiscal 2011 and Noevir Co., Ltd. for the first half of fiscal 2011 (from September 21, 2010 to March 20, 2011).

Cosmetics



Noevir 99 skincare line

Overview

The Group develops, produces and sells a versatile collection of products under well-regarded brand names, including Noevir high-performance functional counseling skincare products; the popular Sana products for the self-selection cosmetics market; and NOV hypoallergenic cosmetics. In addition, consolidated subsidiary Bonanza Co., Ltd. undertakes the contract manufacturing of cosmetics.

Fiscal 2012 Results

As for counseling cosmetics, we reinforced operations at Noevir Beauty Studios, which are total beauty-care salons run by sales representatives, thereby achieving greater customer satisfaction. Also Noevir BIOSIGN eye serum for the skin around the eyes was released in December 2011 and contributed to results.

In self-selection cosmetics, we upgraded the Sana Nameraka Honpo Brightening skincare line, one of our mainstay

Sana Nameraka Honpo skincare lines. We have also upgraded the Sana Excel makeup line while reinforcing sales promotion activities at stores accompanied by simultaneous TV commercial releases.

As a result, sales in the Cosmetics segment rose year on year to ¥32,223 million, and segment income grew to ¥5,591 million.

Channels

- Direct Sales
- Supermarkets
- Drugstores
- Variety Stores
- Mail Order
- Directly Managed Stores
- Contract Manufacturing



Noevir 505 skincare line

NOV III skincare line



Sana Excel makeup line

Sana Morning Kiss Skincare Base

Sana Super Quick makeup line

Pharmaceuticals & Health Food



Nanten Nodo Ame cough drops

Overview

The Group develops, produces and sells such flagship items as the long-selling Nanten Nodo Ame cough drops, functional drinks, such as the Min Min Da Ha lineup, and other OTC pharmaceuticals, including cold remedies and eye drops, as well as nutritional supplements featuring high-quality natural ingredients and such health food products as tea.

Fiscal 2012 Results

Aiming to enhance brand recognition, we conducted proactive advertising and sales promotion activities for such functional drinks as those in the Min Min Da Ha lineup. These activities contributed to sales. In the mainstay Nanten Nodo Ame cough drops, the launch of new flavors along with easy to carry pouch-type packaging also contributed to results.

In high-end nutritional supplements sold under the Noevir brand, sales also grew thanks to the reinforcement of counseling services provided by sales representatives.

Consequently, sales in the Pharmaceuticals & Health Food segment decreased year on year to ¥13,595 million, and segment income grew to ¥1,245 million.

Channels

- Direct Sales
- Supermarkets
- Drugstores
- Convenience Stores
- Variety Stores
- Deposit Sales
- Mail Order
- Directly Managed Stores
- Contract Manufacturing



INNERBLANC

PLACENTA



PROTECT DROP



Min Min Da Ha and Kyo Kyo Da Ha functional drinks

Other



Apparel collection product catalog

Overview

The Other segment encompasses apparel and aircraft sales and leasing.

Fiscal 2012 Results

The aviation-related business was affected by sluggish demand due to economic slowdown in Europe and the United States as well as an exchange loss due to yen appreciation.

As a result, sales in the Other segment declined year on year to ¥1,401 million, and segment income increased year on year to ¥70 million.

Channels

- Direct Sales



Aviation business



A Unique Approach to Expanding the Potential of Cosmetics

The Noevir Group boasts a broad product lineup. For high-end markets, we provide prestige skincare products as well as functional cosmetics that we have developed through extensive R&D. In addition, the affordably priced skincare products we offer for the young adult segment are enjoying a strong presence in the general retail market. While responding to the needs of these markets, which are at opposite poles of the product spectrum, we are reinforcing our anti-aging and skin brightening solutions. Moreover, we leverage our cosmetics development know-how to offer items that promote beauty and health, such as nutritional supplements, energy drinks and pharmaceuticals.

In fiscal 2012, we introduced a series of distinctive functional cosmetics. In the *Noevir BIOSIGN* line, which reflects a long history of research in genetics, we launched *Noevir BIOSIGN eye serum* to fight wrinkles due to dryness. *Noevir BLANCMASK* massage mask removes old keratin from the skin surface employing a carbonated foam that is drawing market interest for its effectiveness in beauty enhancement. *Noevir BLANCSIGHT* beauty serum for spot application intensively addresses persistent

damage caused by ultraviolet rays. Along with these solutions, which work from the outside, we promote nourishment that enhances beauty from the inside. For example, we released *Noevir INNERBLANC*, a nutritional supplement that enhances efforts to realize beautiful skin.

Among domestic self-selection cosmetics markets, skin brightening products are enjoying a firmly growing market, reflecting heightening interest from customers. In response, we upgraded the *Sana Nameraka Honpo Brightening* skincare line, one of the soy isoflavone-based *Sana Nameraka Honpo* skincare lines that are currently enjoying great popularity. In line with its main theme, namely the creation of transparent skin, the upgraded line has also proved effective in increasing skin elasticity thanks to the use of select soybeans, a unique enrichment process and the incorporation of ingredients with nano-sized particles that effectively penetrate the skin.

In pharmaceuticals, two new flavors were introduced in the long-selling *Nanten Nodo Ame* cough drop lineup. Also, in response to customer needs, we adopted an easy to carry pouch-type packaging.



Noevir BIOSIGN inner treatment / Noevir BIOSIGN blanc beauté / Noevir BIOSIGN eye serum



Sana Nameraka Honpo Brightening skincare line



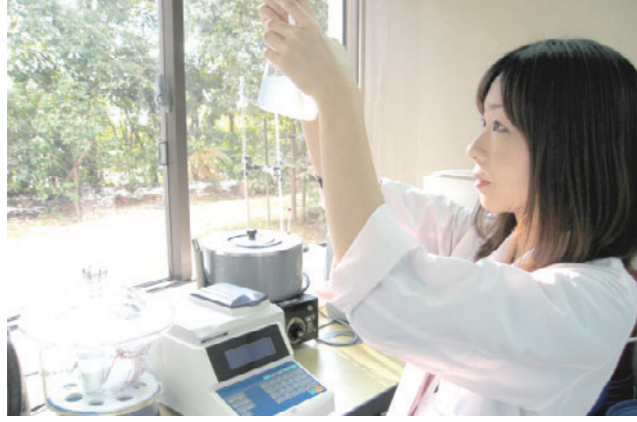
Nanten Nodo Ame cough drops pouch-type packaging



Noevir BLANCMASK / Noevir BLANCSIGHT



Min Min Da Ha and Kyo Kyo Da Ha functional drinks



R&D activities



The Shiga Research Center

Our Research Network and Features

In October 2012, the Noevir Group integrated the Shiga Research Center, which develops cosmetics and quasi-drugs, and Tokiwa Pharmaceutical Co., Ltd.'s Tokiwa R&D Center, which conducts pharmaceutical research, aiming to fully exploit each center's R&D capabilities and fruits of research accumulated over the years. Through this integration, the Group has established a research network that enables it to provide a continuous stream of competitive products ranging from cosmetics to pharmaceuticals.

Noevir Co., Ltd. proactively secures patents for its research results through close cooperation between its research center and the Intellectual Property & Quality Assurance Department. The Japan Patent Office's *International Trends in Cosmetic-Related Patent Applications* ranks Noevir third among domestic companies and eighth in the world in the anti-aging field with regard to the number of patents filed during the 20 years from 1990 through 2009.

R&D concepts vary largely by brand, particularly with regard to cosmetics. The Group's Noevir brand-related research focuses on a wide range of plants and is based on a policy of being "natural to the skin." At the same time, the Group pursues other avenues of research in accordance with its proprietary beauty science concept. For the Tokiwa brand, on the other hand, the Group proactively engages in joint studies with universities, focusing on basic research that explores the potential of materials.

Two Priority Areas

With regard to research and development, the Noevir Group positions brain science and genetics as priority areas. We are aiming to develop unique products that are insulated from price competition by creating new value.

In brain science, we are stepping up research on the relationship between the sensory function of the skin and the status of brain activity. Our research has revealed the relaxation effects of such treatments as skin care and facial massage on cerebral condition by measuring the fluctuation of cerebral blood flow in response to such stimuli. The result of the research has been applied to the development of the *Noevir SPECIALE* line, a prestige skincare line that is of the highest grade. We are now seeking to apply the abovementioned results to our services, including treatment in salons as well as lessons on skin care.

In the area of genetics, we are focusing on identifying as yet unknown factors relating to aging prevention and rejuvenation, both of which are key issues of cosmetics development. We discovered that prohibitin, a type of protein, is involved in the maintenance of the homeostasis of the skin and related to protection against damage caused by ultraviolet rays. Moreover, we discovered that eucalyptus shoot extract, an ingredient of the *Noevir BIOSIGN eye serum* released in 2011, facilitates the expression of prohibitin. In October 2012, the abovementioned two discoveries were presented at the IFSCC* 2012 27th Congress in Johannesburg, South Africa.

* The International Federation of Societies of Cosmetic Chemists

Sales Strategy



Transforming the Sales System for Greater Success

The Noevir Group has introduced multilateral sales methods in response to diversifying customer needs.

For counseling cosmetics, which are represented by high-end skincare products, the Group mainly employs direct sales channels backed by sales representatives as well as directly managed stores. To complement direct sales, the Group also offers the Noevir Style mail order service. Regarding medium- and low-priced self-selection cosmetics, the Group mainly utilizes such general retailer channels as general merchandise stores, drugstores and variety stores. Together with this, the Group operates the Tokiwa Style and Simp's mail order services. For pharmaceuticals, the Group employs deposit sales, in which products are delivered on regular basis to contracted households and companies, with the settling of accounts based on actual

volume consumed. Moreover, the Group undertakes the contract manufacturing of cosmetics and quasi-drugs on an OEM basis, utilizing its know-how in both fields.

The Group is putting particular emphasis on reinforcing its direct sales involving sales representatives dealing with counseling cosmetics. By introducing an innovative business model as well as by strengthening human resource development, the Group is striving to transform this channel in a way that will allow it to fully exploit the advantages of face-to-face sales.

Meanwhile, the Group is implementing proactive and unique advertising and sales promotions in self-selection cosmetics markets. These activities are aimed at attracting new customers by increasing brand recognition while developing and maintaining a base of customers who will regularly purchase our products.

Reinforcing Sales Representatives

Utilizing direct sales, the Noevir Group is able to nurture continuing relationships of trust with customers through proposals of products best suited to the needs and skin conditions of each. Such relationships, in turn, generate a stable profit. Accordingly, direct sales are positioned as an essential revenue base. To further enhance the profitability of direct sales, we must provide existing customers with even greater satisfaction while acquiring new customers. To this end, we are focusing on improving the quality of sales representatives and developing multiple contact points with customers as we accelerate the transformation of the direct sales business model.

Nurturing Sales Representatives

The Group is reinforcing human resource development aimed at equipping each sales representative with the practical knowledge and skills of a top-notch beauty consulting professional. Together with the Noevir Beauty Academy, which offers four courses, we introduced the Noevir Skincare Advisor System, which provides qualification testing on the concepts behind beauty consulting as

well as on beauty care-related skills. In addition, the My Salon Education Program offers training on salon operations as well as customer management with the aim of helping salon staff move up to the salon manager level. This proactive development approach is helping standardize the level of service while rejuvenating the Company organization.



Promoting Beauty Salon Operations

Under a new business model—a sales channel that entails sales representatives engaged in direct sales—in May 2011, we introduced Noevir Beauty Studios, shops incorporating beauty salon functions where sales representatives provide lessons in beauty care to small groups of customers. The studios are furnished with a range of beauty care equipment, and we have reinforced the counseling capabilities of sales representatives

working there. As of September 2012, there were approximately 1,200 Noevir Beauty Studios, well above our target. These studios increased our opportunities to meet with customers in local communities, which, in turn, brought steady growth in number of new customers. Looking ahead, we are aiming to acquire a greater number of loyal counseling cosmetics customers.

Effective Sales Promotion Activities

The Group holds various events and campaigns targeting specific customers by brand characteristic.

During the year under review, we strengthened sales promotion activities for *Min Min Da Ha* functional drinks, targeting viewers of the London Olympic games, which were broadcast in Japan late at night. Featuring a popular singing group, our multipronged campaign including TV commercials increased product exposure and thus enlarged the purchaser demographic.



TV commercials for *Min Min Da Ha* functional drinks featuring a popular singing group

Corporate Governance



Organizational Structure

The Board of Directors of Noevir Holdings (“the Company”) consists of seven members, including one outside director.* Board of directors’ meetings are held monthly on a regular basis, with extraordinary meetings convened as necessary. During the fiscal year under review, fifteen meetings were held. With a view to strengthening corporate governance, the Company performs duties that ensure the viability of its internal control system and has established a framework whereby the entire Group strictly adheres to legal requirements and Noevir Holdings’ articles of incorporation. Noevir Holdings has adopted a corporate auditor system, with a board of corporate auditors comprising one standing corporate auditor and two outside corporate auditors.* In addition, the Company has established an Internal Audit Department that conducts regular audits across all divisions and reports directly to the President and Representative Director. The corporate auditors, the Internal Audit Department and an independent auditor attend Board of Corporate Auditors’ meetings whenever necessary. This facilitates mutual cooperation and enables a three-way audit control system that effectively executes its duties.

Furthermore, Noevir Holdings has adopted an executive officer system with the aim of strengthening the corporate governance structure. The executive officer system is expected to reinforce the Board of Directors’ decision-making and auditing functions, accelerate business execution and clarify the Company’s responsibilities.

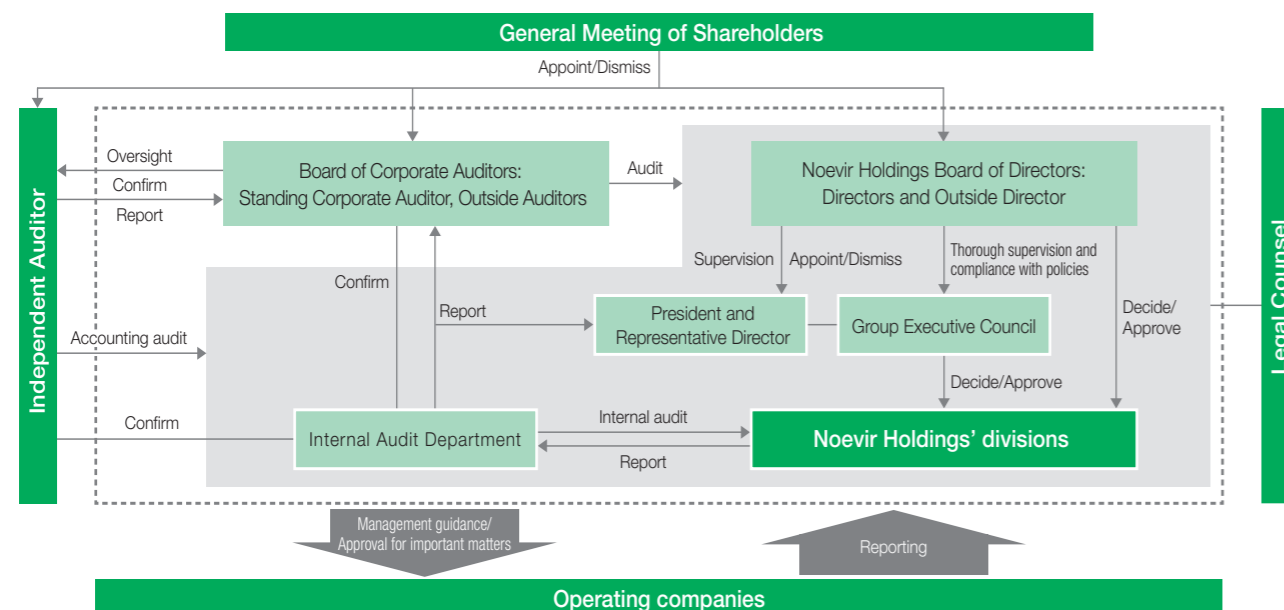
In order to deepen the understanding of its stakeholders and ensure their appropriate evaluation, Noevir Holdings voluntarily and consistently discloses important information pertaining to the Group in a fair, timely and appropriate manner. To disseminate investor relations (IR) information, Noevir Holdings established a dedicated department, created the position of IR director, and regularly holds briefings for analysts and institutional investors.

*Independent director and corporate auditors in accordance with the rules of the Tokyo Stock Exchange. The Company has notified the stock exchange with regard to these appointments.

Internal Control System Strengthening

To ensure the appropriate and sound execution of its business operations, Noevir Holdings endeavors to maintain an internal control system that strictly adheres to legal requirements and its articles of incorporation. The Company undertakes the storage and management of information associated with directors’ duties, the execution of which is thoroughly streamlined. The Company works to maintain clarity in its risk management structure as well as to strengthen and promote its compliance structure under the Noevir Group Strategy and the Noevir Group Code of Conduct. By securing a structure for reporting to an independent board of auditors and conducting effective audits and reliable financial reporting, Noevir Holdings continues to further enhance its internal control system.

Corporate Governance Organizational Structure



Corporate Social Responsibility



Basic Philosophy

Working toward the realization of affluent lifestyles for all stakeholders, the Noevir Group is engaged in the creation of beauty and health. With a clear awareness of responsibilities that we bear for each stakeholder, namely, customers,

business partners, shareholders, employees, society and the environment, we will proactively contribute to the development of society while aiming to achieve the further business growth.

Promoting Coexistence with Society

Since March 2010, the Noevir Group has been holding the biannual Noevir Green Charity, raising money for the Manaslu fund, which, with alpinist Ken Noguchi at its head, offers support for the children of Samagaon, a village at the foot of Himalayas, Nepal. We periodically hold this skincare product fair, donating ¥1 of proceeds from the sale of designated items. The initial goal of the fund, the construction of a school, has been completed. The fund is now supporting such environmental protection activities as forest restoration around the school.



Mr. Ken Noguchi and children living at the foot of Himalayas

Environmental Initiatives

The Mie Factory is one of the Group’s main production bases for pharmaceuticals, quasi-drugs, cosmetics, Food for Specified Health Uses (FOSHU), nutritional supplements and functional drinks. Under the slogan “becoming an environment-friendly factory,” the Mie Factory has positioned environmental load reduction as an essential issue. The factory sets forth environmental targets, draws up environmental action plans and evaluates the outcomes of such actions in cooperation with the in-house Safety and Health Committee, the Energy-Saving and Environmental Committee, and the Power Consumption Saving Countermeasures Committee, which was established in 2011. Actions taken at the factory to date include steps to manage and curb power consumption with the aim of helping prevent

global warming; efforts to reduce waste, including sludge and waste fluids as well as to reuse such waste as fertilizer and cattle feed; and the promotion of green procurement. Looking ahead, the factory will further reinforce its environmental activities, aiming to contribute to environmental preservation on a long-term basis while raising the awareness of all factory employees.



Fertilizer recycled from sludge and a shrubbery with nandina trees nurtured with this fertilizer

Financial Section

Management's Discussion and Analysis

Overview

During fiscal 2012 (October 1, 2011 to September 30, 2012), a sense of growing uncertainty prevailed in Japan's economy, reflecting a number of factors, including concerns over an economic slowdown overseas stemming from the European sovereign debt crisis and the protracted appreciation of the yen.

In Japan's cosmetics market, demand for lower-priced products remained strong and competition continued to grow increasingly harsh, despite signs of a growing trend toward higher-priced products.

Under these circumstances, in the Cosmetics segment, the Noevir Group actively reinforced the services that it provides to customers at Noevir Beauty Studios (salons where beauty-related lessons are provided) with the aim of promoting counseling cosmetics. In the self-selection cosmetics range, the Group upgraded one of its mainstay skincare lines.

In the Pharmaceuticals & Health Food segment, the Group implemented proactive advertising and sales promotions for functional drinks. In addition, the Group introduced new items in its mainstay product lineups.

As a result, net sales for fiscal 2012 came to ¥47,220 million. The cost of sales amounted to ¥16,372 million and as a percentage of net sales was 34.7%. Selling, general and administrative (SG&A) expenses were ¥25,697 million, and the ratio of SG&A expenses to net sales was 54.4%.

Operating income totaled ¥5,150 million, while net

income came to ¥2,787 million as a result of an increase in income taxes—deferred, reflecting the reversal of deferred tax assets due to a tax system revision.

Year-on-year comparisons with the previous fiscal year's results cannot be presented in the above discussion as Noevir Holdings' previous accounting period was an irregular accounting period extending from March 22, 2011, the day of Noevir Holdings' establishment, through September 30, 2011.

Assets, Liabilities and Net Assets

Total assets at the fiscal 2012 year-end stood at ¥83,701 million, down ¥3,726 million compared with the previous fiscal year-end. This was due mainly to decreases in property, plant and equipment of ¥1,108 million, other receivables of ¥937 million and deferred tax assets (fixed) of ¥571 million.

Total liabilities at year-end declined ¥1,820 million year on year to ¥34,011 million. This was largely attributable to decreases in guarantee deposits received of ¥1,087 million and reserve for employee's retirement benefits of ¥500 million.

Net assets at year-end decreased ¥1,905 million to ¥49,689 million. This was mainly attributable to the purchase of 3,880,000 shares of treasury stock at ¥3,325 million on November 17, 2011, and their retirement on November 28 of the same year as well as a ¥1,427 million increase in retained earnings due to the recording of net income.

As a result of the foregoing, the equity ratio stood at 59.3% while net assets per share were ¥1,325.88, increases of 0.3 percentage points and ¥77.86, respectively.

Cash Flows

Cash and cash equivalents, end of year, stood at ¥36,253 million, an increase of ¥104 million compared with ¥36,148 million at the end of the previous fiscal year.

Net cash provided by operating activities amounted to ¥4,228 million. This was due mainly to income before

income taxes totaling ¥5,526 million, against an outflow of ¥1,451 million for income tax paid.

Net cash provided by investing activities was ¥585 million. This was primarily due to ¥2,556 million in proceeds from withdrawal of time deposits. The primary outflow was ¥2,031 million in expenditure for deposit to time deposits.

Net cash used in financing activities amounted to ¥4,813 million. This was attributable to ¥3,325 million for the purchase of treasury stock and cash dividends paid of ¥1,488 million.

Five-Year Summary

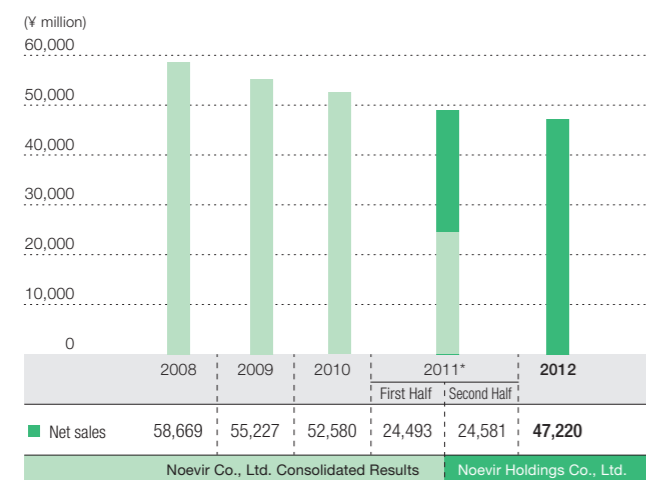
| Fiscal Year | Noevir Co., Ltd. Consolidated Results | | | | Noevir Holdings Co., Ltd. | |
|---|---------------------------------------|-----------|-----------|---|-----------------------------------|------------------------------------|
| | 2008 | 2009 | 2010 | 2011 | 2011 | 2012 |
| Period/Item | September 21–September 20 | | | September 21, 2010–March 20, 2011 (March 21, 2011*) | March 22, 2011–September 30, 2011 | October 1, 2011–September 30, 2012 |
| Net sales | ¥ 58,669 | ¥ 55,227 | ¥ 52,580 | ¥ 24,493 | ¥ 24,581 | ¥ 47,220 |
| Operating income | 4,043 | 3,539 | 2,782 | 1,296 | 1,576 | 5,150 |
| Net income | 2,937 | 2,152 | 1,565 | 533 | 614 | 2,787 |
| Total assets | 95,818 | 89,308 | 88,797 | 86,841 | 87,427 | 83,701 |
| Total net assets | 51,600 | 51,903 | 52,012 | 50,992 | 51,595 | 49,689 |
| Capital expenditures | 2,726 | 1,277 | 710 | 361 | 186 | 234 |
| Depreciation | 2,064 | 2,099 | 1,894 | 854 | 910 | 1,702 |
| R&D costs | 1,659 | 1,487 | 1,541 | 775 | 675 | 1,095 |
| Dividends per share (yen) | ¥ 36.00 | ¥ 36.00 | ¥ 36.00 | — | ¥ 36.00 | ¥ 40.00 |
| Earnings per share, basic (yen) | ¥ 71.94 | ¥ 52.07 | ¥ 37.88 | ¥ 12.90 | ¥ 14.88 | ¥ 73.37 |
| Total net assets per share (yen) | ¥1,247.93 | ¥1,255.50 | ¥1,258.20 | ¥1,233.49 | ¥1,248.02 | ¥1,325.88 |
| ROE (%)** | 6.1% | 4.2% | 3.0% | — | — | 5.5% |
| ROA (%)** | 3.0% | 2.3% | 1.8% | — | — | 3.3% |
| Equity ratio (%) | 53.9% | 58.1% | 58.6% | 58.7% | 59.0% | 59.3% |
| Number of employees (consolidated) | 2,333 | 2,336 | 2,287 | — | 2,097 | 1,798 |
| Cosmetics | | | | | | |
| Net sales | ¥ 38,513 | ¥ 36,825 | ¥ 34,589 | ¥ 16,030 | ¥ 16,167 | ¥ 32,223 |
| Operating income/Segment income | 6,399 | 5,524 | 4,799 | 2,046 | 2,273 | 5,591 |
| Pharmaceuticals*** | | | | | | |
| Net sales | 6,809 | 6,939 | 6,539 | — | — | — |
| Operating income | (571) | (511) | (729) | — | — | — |
| Health Food*** | | | | | | |
| Net sales | 8,507 | 8,553 | 8,440 | — | — | — |
| Operating income | 212 | 580 | 346 | — | — | — |
| Pharmaceuticals & Health Food*** | | | | | | |
| Net sales | — | — | — | 7,404 | 6,821 | 13,595 |
| Segment income | — | — | — | (13) | 94 | 1,245 |
| Other | | | | | | |
| Net sales | 4,840 | 2,910 | 3,012 | 1,059 | 1,592 | 1,401 |
| Operating income/Segment income | 149 | (12) | (77) | (32) | 75 | 70 |

* March 21, 2011 is included in Noevir Co., Ltd.'s accounting period from September 21, 2010 to March 20, 2011. March 21, 2011 was a public holiday in Japan, and the impact on Noevir's business results was minor.

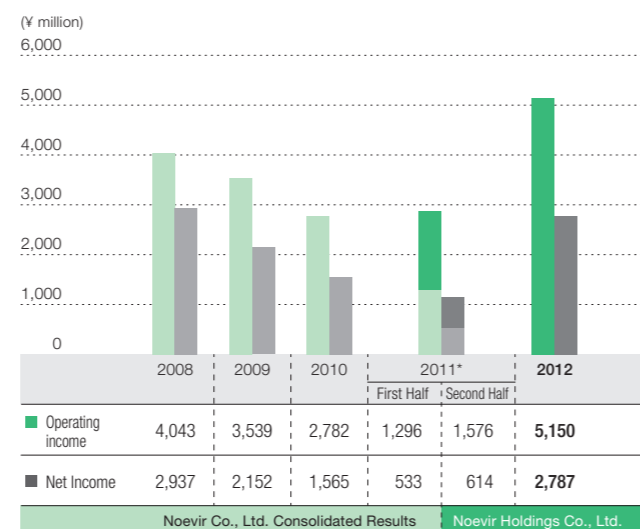
** 2011 was an irregular accounting period due to the establishment of the holdings company. Accordingly, ROE and ROA are not presented for 2011 due to the difficulty in calculating a year-on-year comparison of indices.

*** With the start of FY 2011, Noevir changed the organization of its segments.

Net Sales



Operating Income/Net Income



* First Half: September 21, 2010–March 20, 2011 (See p. 17 note**) Second Half: March 22, 2011–September 30, 2011

Consolidated Financial Statements

Consolidated Balance Sheets

| | (Thousands of yen) | |
|--|-----------------------------|-----------------------------|
| | As of September 30, 2012 | As of September 30, 2011 |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | ¥38,253,228 | ¥38,674,720 |
| Notes and accounts receivable | 11,754,160 | 10,579,759 |
| Merchandise and finished goods | 5,694,420 | 6,202,007 |
| Work in progress | 206,578 | 300,999 |
| Raw materials and purchased supplies | 1,299,798 | 1,446,797 |
| Deferred tax assets | 1,097,329 | 1,524,090 |
| Other receivables | 1,761,543 | 2,698,721 |
| Other | 455,123 | 405,175 |
| Allowance for doubtful accounts | (55,945) | (76,378) |
| Total current assets | 60,466,236 | 61,755,894 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 5,005,520 | 5,666,478 |
| Equipment and vehicles, net | 792,277 | 877,414 |
| Land | 13,642,382 | 13,881,827 |
| Lease assets, net | 30,118 | 24,490 |
| Construction in progress | 1,609 | 1,384 |
| Other, net | 203,938 | 332,757 |
| Total property, plant and equipment | 19,675,847 | 20,784,352 |
| Intangible assets | | |
| Goodwill | 32 | 1,012 |
| Software | 328,769 | 888,107 |
| Other | 98,853 | 97,511 |
| Total intangible assets | 427,654 | 986,631 |
| Investments and other assets | | |
| Investment securities | 409,322 | 426,532 |
| Deferred tax assets | 1,796,916 | 2,368,259 |
| Other | 1,021,442 | 1,252,446 |
| Allowance for doubtful accounts | (96,333) | (146,841) |
| Total investments and other assets | 3,131,347 | 3,900,397 |
| Total non-current assets | 23,234,849 | 25,671,381 |
| Total assets | ¥83,701,086 | ¥87,427,276 |

| | (Thousands of yen) | |
|---|-----------------------------|-----------------------------|
| | As of September 30, 2012 | As of September 30, 2011 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Notes and accounts payable | ¥ 4,824,771 | ¥ 4,339,797 |
| Lease obligations | 10,262 | 7,238 |
| Other accounts payable | 3,393,112 | 3,280,105 |
| Income tax payable | 1,294,737 | 781,103 |
| Deferred tax liabilities | 1,194 | — |
| Reserve for bonuses | 161,982 | 329,611 |
| Reserve for product returns | 691,425 | 1,033,114 |
| Other | 1,376,080 | 2,167,964 |
| Total current liabilities | 11,753,567 | 11,938,935 |
| Long-term liabilities | | |
| Lease obligations | 21,358 | 18,449 |
| Guarantee deposits received | 17,358,866 | 18,446,472 |
| Reserve for employees' retirement benefits | 4,692,944 | 5,193,496 |
| Other | 184,689 | 234,697 |
| Total long-term liabilities | 22,257,858 | 23,893,116 |
| Total liabilities | 34,011,425 | 35,832,051 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Common stock | 7,319,000 | 7,319,000 |
| Additional paid-in capital | 3,484,620 | 6,809,798 |
| Retained earnings | 39,372,029 | 37,944,986 |
| Treasury stock | (50) | (17) |
| Total shareholders' equity | 50,175,599 | 52,073,767 |
| Accumulated other comprehensive income | | |
| Net unrealized gain on other securities | 39,651 | 18,362 |
| Foreign currency translation adjustments | (570,493) | (520,373) |
| Total accumulated other comprehensive income | (530,841) | (502,010) |
| Minority interests | 44,902 | 23,468 |
| Total net assets | 49,689,660 | 51,595,224 |
| Total liabilities and net assets | ¥83,701,086 | ¥87,427,276 |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

| | (Thousands of yen) | |
|---|----------------------------------|----------------------------------|
| | Year ended September 30, 2012 | Year ended September 30, 2011 |
| Net sales | ¥47,220,289 | ¥24,581,835 |
| Cost of sales | 16,372,870 | 9,377,231 |
| Gross profit | 30,847,418 | 15,204,603 |
| Selling, general and administrative expenses | | |
| Cost of sales | 4,030,696 | 2,058,088 |
| Advertising expenses | 1,425,780 | 513,294 |
| Salaries and bonuses | 7,878,143 | 4,239,596 |
| Accrued allowance for bonuses | 122,845 | 239,935 |
| Retirement benefits for employees | 819,908 | 456,872 |
| Depreciation | 1,143,508 | 590,264 |
| Research and development expenses | 1,090,749 | 671,954 |
| Other | 9,185,785 | 4,857,948 |
| Total | 25,697,417 | 13,627,955 |
| Operating income | 5,150,001 | 1,576,648 |
| Non-operating income | | |
| Interest income | 11,940 | 11,265 |
| Dividend income | 9,286 | 5,644 |
| Exchange differences | 14,532 | — |
| Sales of promotional materials | 26,506 | 14,234 |
| Lease income | 56,097 | 26,020 |
| Insurance dividends | 77,402 | 37,442 |
| Other | 120,318 | 38,029 |
| Total | 316,084 | 132,635 |
| Non-operating expenses | | |
| Loss on currency translation | — | 17,278 |
| Commitment fee | 12,032 | 4,928 |
| Amortization of inaugural expenses | — | 32,971 |
| Other | 2,849 | 1,413 |
| Total | 14,882 | 56,591 |
| Ordinary income | 5,451,204 | 1,652,692 |
| Extraordinary income | | |
| Gain on sale of fixed assets | 160,775 | 123 |
| Gain on sale of investment securities | 2,563 | 5,918 |
| Reversal of allowance for doubtful accounts | — | 51,374 |
| Adjustment to the loss on disaster | — | 13,389 |
| Gain on transfer of business | 64,000 | — |
| Other | — | 682 |
| Total | 227,338 | 71,488 |
| Extraordinary losses | | |
| Loss on disposal of fixed assets | 60,660 | 161,385 |
| Loss on sale of investment securities | — | 1,357 |
| Impairment loss | 86,187 | — |
| Other | 5,000 | — |
| Total | 151,847 | 162,742 |
| Income before income taxes | 5,526,695 | 1,561,437 |
| Income taxes – basic | 1,782,066 | 764,002 |
| Income taxes – deferred | 944,316 | 180,863 |
| Total | 2,726,383 | 944,866 |
| Income before minority interests | 2,800,312 | 616,571 |
| Minority interests | 12,618 | 1,805 |
| Net income | ¥ 2,787,693 | ¥ 614,766 |

Consolidated Statements of Comprehensive Income

| | (Thousands of yen) | |
|---|----------------------------------|----------------------------------|
| | Year ended September 30, 2012 | Year ended September 30, 2011 |
| Income before minority interests | ¥2,800,312 | ¥616,571 |
| Other comprehensive income | | |
| Valuation adjustment | 22,181 | (13,093) |
| Foreign currency translation | 25,073 | (1,027) |
| Total | 47,255 | (14,120) |
| Comprehensive income | 2,847,568 | 602,451 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | 2,833,369 | 600,375 |
| Comprehensive income attributable to minority interests | 14,198 | 2,076 |

Consolidated Changes to Equity

| | (Thousands of yen) | |
|---|----------------------------------|----------------------------------|
| | Year ended September 30, 2012 | Year ended September 30, 2011 |
| Shareholders' equity | | |
| Common stock | | |
| Balance at end of the previous year | ¥ 7,319,000 | ¥ — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 7,319,000 |
| Total changes during the period | — | 7,319,000 |
| Balance at end of the year | 7,319,000 | 7,319,000 |
| Additional paid-in capital | | |
| Balance at end of the previous year | 6,809,798 | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 6,809,798 |
| Retirement of treasury stock | (3,325,177) | — |
| Total changes during the period | (3,325,177) | 6,809,798 |
| Balance at end of the year | 3,484,620 | 6,809,798 |
| Retained earnings | | |
| Balance at end of the previous year | 37,944,986 | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 37,330,220 |
| Distribution of dividends from retained earnings | (1,487,622) | — |
| Net income | 2,787,693 | 614,766 |
| Increase (decrease) due to change in accounting period of consolidated subsidiaries | 126,971 | — |
| Total changes during the period | 1,427,043 | 37,944,986 |
| Balance at end of the year | 39,372,029 | 37,944,986 |
| Treasury stock | | |
| Balance at end of the previous year | (17) | — |
| Changes during the reporting period | | |
| Purchase of own shares | (3,325,210) | (17) |
| Retirement of treasury stock | 3,325,177 | — |
| Total changes during the period | (32) | (17) |
| Balance at end of the year | (50) | (17) |

Consolidated Changes to Equity (Continued)

| | (Thousands of yen) | |
|---|----------------------------------|----------------------------------|
| | Year ended September 30, 2012 | Year ended September 30, 2011 |
| Total shareholders' equity | | |
| Balance at end of the previous year | ¥52,073,767 | ¥ — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 51,459,018 |
| Distribution of dividends from retained earnings | (1,487,622) | — |
| Net income | 2,787,693 | 614,766 |
| Purchase of own shares | (3,325,210) | (17) |
| Retirement of treasury stock | — | — |
| Increase (decrease) due to change in accounting period of consolidated subsidiaries | 126,971 | — |
| Total changes during the period | (1,898,167) | 52,073,767 |
| Balance at end of the year | 50,175,599 | 52,073,767 |
| Accumulated other comprehensive income | | |
| Valuation adjustment | | |
| Balance at end of the previous year | 18,362 | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 31,455 |
| Changes during the reporting period, excluding shareholders' equity | 21,289 | (13,093) |
| Total changes during the period | 21,289 | 18,362 |
| Balance at end of the year | 39,651 | 18,362 |
| Foreign currency translation | | |
| Balance at end of the previous year | (520,373) | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | (519,075) |
| Changes during the reporting period, excluding shareholders' equity | (50,119) | (1,298) |
| Total changes during the period | (50,119) | (520,373) |
| Balance at end of the year | (570,493) | (520,373) |
| Total accumulated other comprehensive income | | |
| Balance at end of the previous year | (502,010) | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | (487,619) |
| Changes during the reporting period, excluding shareholders' equity | (28,830) | (14,391) |
| Total changes during the period | (28,830) | (502,010) |
| Balance at end of the year | (530,841) | (502,010) |
| Minority interests | | |
| Balance at end of the previous year | 23,468 | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 21,391 |
| Changes during the reporting period, excluding shareholders' equity | 21,434 | 2,076 |
| Total changes during the period | 21,434 | 23,468 |
| Balance at end of the year | 44,902 | 23,468 |
| Total net assets | | |
| Balance at end of the previous year | 51,595,224 | — |
| Changes during the reporting period | | |
| Increase (decrease) by share transfers | — | 50,992,791 |
| Distribution of dividends from retained earnings | (1,487,622) | — |
| Net income | 2,787,693 | 614,766 |
| Purchase of own shares | (3,325,210) | (17) |
| Retirement of treasury stock | — | — |
| Increase (decrease) due to change in accounting period of consolidated subsidiaries | 126,971 | — |
| Changes during the reporting period, excluding shareholders' equity | (7,396) | (12,315) |
| Total changes during the period | (1,905,564) | 51,595,224 |
| Balance at end of the year | ¥49,689,660 | ¥51,595,224 |

Consolidated Statements of Cash Flows

| | (Thousands of yen) | |
|---|----------------------------------|----------------------------------|
| | Year ended September 30, 2012 | Year ended September 30, 2011 |
| Cash flows from operating activities | | |
| Income before income taxes | ¥ 5,526,695 | ¥ 1,561,437 |
| Depreciation | 1,702,321 | 910,990 |
| Impairment loss | 86,187 | — |
| Amortization of goodwill | 777 | 1,771 |
| Increase (decrease) in reserve for doubtful accounts | (25,784) | (72,666) |
| Increase (decrease) in reserve for bonuses | (23,612) | (49,540) |
| Increase (decrease) in reserve for product returns | (351,488) | (143,809) |
| Increase (decrease) in reserve for retirement benefits | (446,200) | 27,844 |
| Interest and dividends received | (21,226) | (16,909) |
| Gain/loss on currency translation | (15,284) | 9,809 |
| Gain/loss on marketable and investment securities | (2,563) | (4,560) |
| Gain/loss on sales of property, plant and equipment | (100,114) | 161,261 |
| Adjustment to the loss on disaster | — | (13,389) |
| Decrease (increase) in trade receivables | (565,961) | 1,610,233 |
| Decrease (increase) in inventories | 539,274 | 409,808 |
| Increase (decrease) in trade payables | 430,169 | (111,010) |
| Increase (decrease) in guarantee deposits | (1,055,687) | (418,700) |
| Other | (21,261) | (576,367) |
| Subtotal | 5,656,239 | 3,286,202 |
| Interest and dividends received | 23,467 | 21,238 |
| Income tax paid | (1,451,551) | (480,498) |
| Net cash provided by operating activities | 4,228,155 | 2,826,942 |
| Cash flows from investing activities | | |
| Expenditure for deposit to time deposits | (2,031,921) | (2,501,250) |
| Proceeds from withdrawal of time deposits | 2,556,561 | 2,500,000 |
| Purchase of investment securities | (1,800) | (1,261) |
| Proceeds from sale of investment securities | 52,248 | 20,368 |
| Purchase of property, plant and equipment | (301,208) | (266,100) |
| Proceeds from sale of property, plant and equipment | 326,727 | 72,457 |
| Purchase of intangible assets | (15,098) | (27,144) |
| Proceeds from collection of long-term loans | — | 3,578 |
| Net cash provided by (used in) investing activities | 585,508 | (199,352) |
| Cash flows from financing activities | | |
| Purchase of treasury stock | (3,325,210) | (17) |
| Cash dividends paid | (1,488,057) | (2,756) |
| Net cash used in financing activities | (4,813,267) | (2,774) |
| Effects of exchange rate changes on cash and cash equivalents | 27,024 | (5,802) |
| Net change in cash and cash equivalents | 27,420 | 2,619,012 |
| Cash and cash equivalents, beginning of year | 36,148,890 | 33,529,877 |
| Net change in cash and cash equivalents due to change in accounting period of consolidated subsidiaries | 76,916 | — |
| Cash and cash equivalents, end of year | ¥36,253,228 | ¥36,148,890 |

Principal Consolidated Subsidiaries

(As of September 30, 2012)

| Name | Location | Issued Share Capital (millions of yen, except as otherwise stated) | Direct or Indirect Ownership by the Company (percent) | Principal Business |
|---|---|---|--|--|
| Noevir Co., Ltd. | (Kobe Headquarters) 6-13-1 Minatojima-nakamachi Chuo-ku, Kobe 650-8521 Japan (Tokyo Headquarters) 7-6-15 Ginza, Chuo-ku Tokyo 104-8208 Japan | ¥7,319 | 100.00 | Production and sale of cosmetics, toiletries and food products as well as purchase and sale of make-up items and apparel |
| Tokiwa Pharmaceutical Co., Ltd. | 3-5-12 Azuchi-machi Chuo-ku, Osaka 541-0052 Japan | ¥4,301 | 100.00 | Production and sale of cosmetics, toiletries and food products as well as purchase and sale of make-up items/Production and sale of over-the-counter (OTC) pharmaceuticals and quasi-drugs |
| Bonanza Co., Ltd. | 6-13-1 Minatojima-nakamachi Chuo-ku, Kobe 650-8521 Japan | ¥10 | 100.00 | Production and sale of cosmetics and toiletries as well as purchase and sale of make-up items |
| Tokiwa Medical Service Co., Ltd. | 3-12-23 Kitahorie Nishi-ku, Osaka 550-0014 Japan | ¥98 | 100.00 | Sale of cosmetics, toiletries and food products as well as purchase and sale of make-up items/Production and sale of over-the-counter (OTC) pharmaceuticals and quasi-drugs |
| Noevir Aviation Co., Ltd. | 2-12 Yao Airport Yao, Osaka 581-0043 Japan | ¥35 | 100.00 | Air transportation business |
| Noevir Holding of America, Inc. | 1095 Southeast Main Street Irvine, California 92614 U.S.A. | US\$7,250 thousand | 100.00 | Holding company for two U.S. subsidiaries and one Canadian subsidiary |
| Noevir U.S.A., Inc. | 1095 Southeast Main Street Irvine, California 92614 U.S.A. | US\$5,900 thousand | 100.00 | Sale of cosmetics and food products |
| Noevir Canada, Inc. | 7360 River Road, Richmond British Columbia V6X 1X6 Canada | C\$1,131 thousand | 100.00 | Sale of cosmetics and food products |
| Noevir Taiwan, Inc. | 8th Fl.-2, No.111 Songjiang Road, Jhongshan District Taipei City 10486 Taiwan | NT\$31,000 thousand | 96.77 | Sale of cosmetics and food products |
| Noevir Shanghai, Inc. | Room 802, No. 6 Jilong Road Waigaoqiao Free Trade Zone Pudong New Area, Shanghai 200131, China | 3,311 thousand Chinese yuan | 100.00 | Procurement and sale of sales promotion goods for the Noevir Group |
| Shanghai Noevir Co., Ltd. | Room 2206, Feidiao International Plaza No. 1065A Zhaoyiabang Road Shanghai 200030, China | 5,000 thousand Chinese yuan | 50.00 | Sale of cosmetics as well as procurement and sale of sales promotion goods for the Noevir Group |
| Noevir Aviation, Inc. | 200 West Grand Avenue Montvale, New Jersey 07645 U.S.A. | US\$1,350 thousand | 100.00 | Purchase from and sale to companies outside the Noevir Group of aircraft and vessels |
| Noevir Europe s.r.l. | Via Tre Settembre, 99 (5°-#183) 47891 Dogana Repubblica di San Marino | 26,000 euro | 100.00 | Market research in Europe |

Board of Directors and Auditors

(As of December 12, 2012)

Chairman and Representative Director
Hiroshi Okura

President and Representative Director
Takashi Okura

Vice President and Representative Director
Masashi Akagawa

Directors
Ikkou Yoshida
Yasuo Kaiden
Masataka Nakano

Standing Corporate Auditor
Yoshiharu Hayashi

Outside Corporate Auditors
Masakazu Ueda
Kazuhiro Kida

Outside Director
Sanae Tanaka

Investor Information

(As of September 30, 2012)

Name:
Noevir Holdings Co., Ltd.

Date of Establishment:
March 22, 2011
(Noevir Co., Ltd. was founded in April 1964.)

Paid-in Capital:
¥7,319 million

Headquarters:
• Kobe
6-13-1 Minatojima-nakamachi
Chuo-ku, Kobe 650-8521, Japan

• Tokyo
7-6-15 Ginza, Chuo-ku
Tokyo 104-8208, Japan
Phone: +81-3-5568-0305
Fax: +81-3-5568-0441

Stock Listing:
Tokyo Stock Exchange, First Section (Ticker: 4928)

Transfer Agent and Registrar:
Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan

Major Shareholders

| Name | Number of Shares Held (thousands) | Percentage of Total Shares Issued (percent) |
|--|-----------------------------------|---|
| Hiroshi Okura | 8,438 | 22.53 |
| NII Co., Ltd. | 4,972 | 13.27 |
| Takashi Okura | 3,699 | 9.87 |
| Okura Kohsan, Ltd. | 2,991 | 7.98 |
| Noevir Holdings Employees Shareholdings Scheme | 1,003 | 2.68 |
| Sumitomo Mitsui Banking Corporation | 900 | 2.40 |
| Mizuho Bank, Ltd. | 600 | 1.60 |
| Sumitomo Life Insurance Company | 300 | 0.80 |
| Nihon Kolmar Co., Ltd. | 300 | 0.80 |
| Bank of Tokyo-Mitsubishi UFJ, Ltd. | 150 | 0.40 |
| Total | 23,354 | 62.37 |

Forward-Looking Statements

Statements in this annual report with respect to Noevir Holdings' plans, strategies, projected financial results and beliefs as well as other statements that are not historical facts are forward-looking statements based on information currently available, and such statements involve risks and uncertainties that could cause actual results to differ substantially from expectations.