

ANNUAL REPORT *2014*

Year ended September 30, 2014



NOEVIR HOLDINGS

Noevir Holdings Co., Ltd. is a comprehensive corporate group mainly comprising two key operating companies: Noevir Co., Ltd. and Tokiwa Pharmaceutical Co., Ltd. Having contributed to health and beauty for half a century, the Group is active in the manufacture and sale of skincare and makeup products, health foods, functional drinks and OTC pharmaceuticals.

Since November 2013, the Group has been implementing a medium-term management plan focused on strengthening its manufacturing competitiveness and thereby generating profit through domestic business while pursuing overseas market development. To secure sustainability in every business segment, the Noevir Group will continue to promote corporate activities, building on the social trust it has cultivated over the years.

Contents

01	A Discussion with Top Management	16	Corporate Social Responsibility
04	Noevir at a Glance	18	Financial Section
08	Product Strategy	26	Principal Consolidated Subsidiaries
12	Sales Strategy	27	Board of Directors and Auditors/ Investor Information
15	Corporate Governance		

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).

Pursuing Trustworthy Business Operations to Achieve Sustainable Growth


Takashi Okura,
President and CEO



Q1 — What is your assessment of the operating environment surrounding the Noevir Group and the areas in which its competitiveness lies?

A1 — As a player in the cosmetics, pharmaceuticals and health food industries, the Group operates amid an ever-changing and diversifying market environment in Japan and overseas. Despite these challenges, our Cosmetics business has distinctive strengths in two key fields that are at opposite poles of the product spectrum—namely, prestige counseling cosmetics available primarily through direct sales and low-priced self-selection cosmetics sold through retailers. Products in both fields are strong sellers, significantly bolstering Cosmetics segment sales, which account for around two-thirds of the Company's net sales.

Looking at the current operating environment, a recent upturn in the Japanese economy has led to growth in the domestic cosmetics market. In 2013,

for example, there was burgeoning demand for high-end cosmetics sold mainly through direct sales channels and department stores. However, following the last-minute surge in demand in anticipation of the April 2014 consumption tax hike, the market recoiled, leading to prolonged stagnation in consumer spending.

Given these circumstances, we are emphasizing innovation in the domestic market in line with the medium-term management plan launched in November 2013. Moreover, we have positioned return on equity (ROE) as a key management indicator along with the revision of the plan in November 2014. By doing so, we are ensuring a management approach that will render our operations even more resilient to market changes.

Q2 — Please tell us about the Company's business results for fiscal 2014.

A2 — Consolidated net sales rose year on year to ¥48,253 million, exceeding our forecast. However, operating income and net income fell to ¥7,064 million and ¥4,349 million, respectively, dipping below expectations. Despite firm sales of counseling cosmetics, including high-end skincare lines, as well as mainstay self-selection cosmetics brands, earnings have been offset by rises in selling, general and administrative expenses that outpaced forecasts. This is attributable to the cost of stepped up advertising aimed at countering the aforementioned post tax-hike recoil. Although we

failed to see growth in earnings, our operating income margin was 14.6%, which puts us among the top with regard to domestic competitors.



Providing makeup tips at a directly managed store

Q3 — Please tell us about your medium-term management plan strategies and key initiatives undertaken in the plan's first year.

A3 — We are making ongoing cost reductions—for example, in the cost of sales—while undertaking customer loyalty and business profitability initiatives. Moreover, to support long-term global expansion, we are reinforcing our operating foundation and enhancing our brand capability while also pursuing market research. Specifically, we are optimizing our overseas strategies by country, giving due consideration to the characteristics of each market we serve.

Our fiscal 2014 initiatives in the Cosmetics business included the introduction of highly functional products that provide anti-aging solutions, the launch of new makeup lines targeting the young adult segment and the upgrade and expansion of the product lineup for flagship brands. We also reinforced the network of Noevir Beauty Studios, salons that we have certified to ensure the quality of the counseling capabilities and service techniques of sales representatives.

In the Pharmaceuticals & Health Food business, we upgraded flagship products while making inroads

into the expanding energy drink market in Japan. Furthermore, despite harsh competition, we enjoyed firm sales of functional drinks and were able to hold our ground thanks to the success of large-scale promotion campaigns. In addition, we have significantly increased the market share held by our medicine kits by acquiring trade rights through consolidated subsidiaries in November 2013.

Overseas, we have initiated the sale of the NOV skincare line in the United States and Singapore.



A store in China that handles self-selection cosmetics

Q4 — What is the outlook for fiscal 2015?

A4 — In the cosmetics market, consumers prefer high-value-added products regardless of price level. To secure new customers, therefore, the creation of

new products capable of accommodating special skincare needs is of importance. Also crucial is nurturing new customers so that they become

loyal customers who regularly buy our daily-use cosmetics products, such as a skin toner. In early fiscal 2015 we therefore released the *Noevir 99 Plus* skincare line, an update of the popular *Noevir 99* line of counseling cosmetics that boasted the highest sales among skincare products sold under the *Noevir* brand.

In self-selection cosmetics, we are reinforcing makeup lines that are popular with

younger generations.

Taking these factors into consideration, we expect both revenues and earnings to increase in fiscal 2015 (from October 1, 2014 to September 30, 2015). Specifically, our consolidated performance forecast includes net sales of ¥48,500 million, operating income of ¥7,500 million and net income of ¥4,700 million.

Q5 — Could you be more specific about your medium-term strategies?

A5 — As we aim to increase the ratio of highly profitable prestige cosmetics in our product mix, we have



Noevir SPECIALE skincare line

been developing a robust R&D structure to facilitate the creation of highly functional products. For example, we integrated research laboratories at Noevir Co., Ltd. and Tokiwa Pharmaceutical Co., Ltd. in 2013. This integration has accelerated our product development activities, enabling us to leverage our combined expertise in two research fields—

health foods and oral pharmaceuticals; and cosmetics and topical quasi-drugs. In other words, the new structure allows us to better realize our underlying R&D concept of “enhancing beauty from both the inside and the outside.”

Moreover, plans call for establishing a new production line for energy drinks in fiscal 2015, as we are looking to step up operations in this field.

Despite market shrinkage accompanying Japan's population decline, the consumption of cosmetics is expected to increase as more women enter the workforce and demand burgeons among the elderly. We will thus strive to capture greater market share and cultivate potential markets in Japan while expanding into countries with steadily growing markets, especially emerging nations, to achieve growth in the medium term.

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

A6 — We have positioned the return of profit to our shareholders as an important management issue. In line with our basic policy of ensuring stable shareholder returns, for fiscal 2014 we decided to pay out cash dividends of ¥60 per share, up ¥10 from the forecast as of the beginning of the year. We have thus achieved a third consecutive annual increase in dividends. We also plan to pay ¥60 per share for fiscal 2015. In addition, we purchased treasury stock in November 2014 to improve ROE, a key management indicator that reflects our

capital efficiency. This move was also intended to improve shareholder value.

Striving to contribute to health and beauty, the Noevir Group has been helping to maintain and improve the quality of people's lives through its business operations. Thanks to this dedication, the Group has won the trust of society. Looking ahead, we will continue to enhance our corporate value while boosting our ability to quickly and flexibly accommodate market changes and diversifying needs.

Noevir at a Glance

In the domestic cosmetics market—the Noevir Group’s core operating domain—the pace of market growth is decelerating due mainly to the lingering negative impact on demand of the April 2014 consumption tax hike.

With an eye to the current market environment, in November 2014 the Group revised its medium-term management plan, which it launched in November 2013, and made it more effective while establishing numerical targets for the end of fiscal 2019. Please see page 5 for the details of the plan and targets.

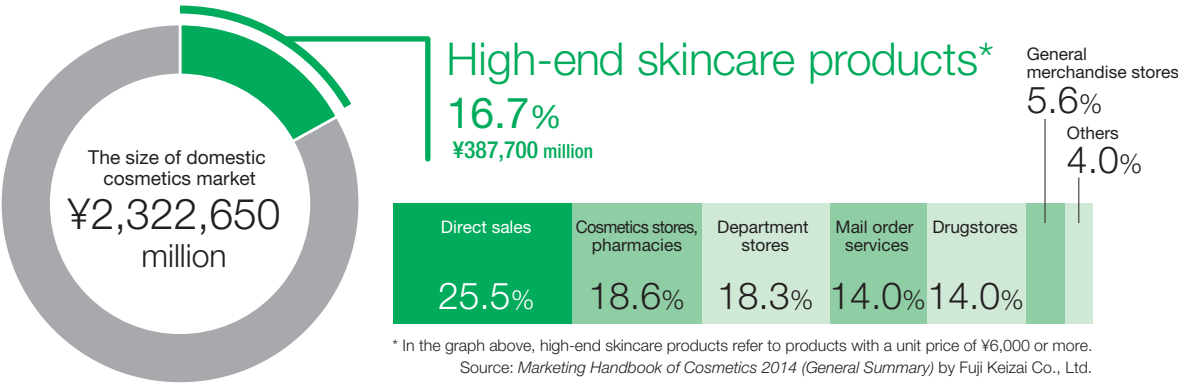
Fiscal 2014 Sales by Segment



Sales in the Cosmetics Business by Sales Route

- Counseling cosmetics 50%**
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 39%**
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 and self-selection cosmetics
- OEM 5%**
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 2013



Medium-Term Management Plan

In November 2014, the Noevir Group made revisions to the three-year medium-term management plan it had launched in November 2013. Simultaneously, the Group established management goals for fiscal 2019. Pursuing the five policies set forth in the plan, we will realize even greater profitability while developing new markets.

Medium-term management plan concept:

“Realizing steady corporate growth by securing sustainability in every business segment”

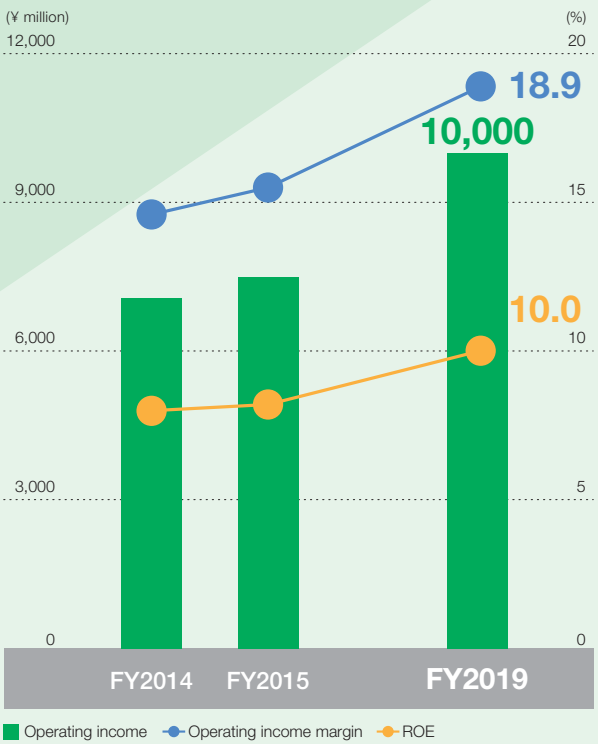
Five policies

1. Pursue innovation and continuous profit generation in Japan
2. Enhance our brand value and develop new markets in countries worldwide
3. Diversify and globalize human resources and our corporate structure
4. Strengthen our manufacturing competitiveness
5. Promote a management approach that is responsive to changes in the business environment

Numerical Targets and Achievements

Having positioned the operating income margin and return on equity (ROE) as key management indicators, the Noevir Group aims to maximize its corporate value and enhance profitability.

	Fiscal 2014 results	Fiscal 2015 forecasts	Fiscal 2019 targets
Net sales	¥48,253	¥48,500	¥53,000
Operating income	7,064	7,500	10,000
Operating income margin (%)	14.6%	15.5%	18.9%
ROE (%)	8.0%	8.2%	10.0%



Segment Information

Cosmetics

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.



Sana Pore Putty makeup line

Fiscal 2014 Results

In counseling cosmetics, prestige skincare lines saw firm sales, especially of *Noevir SPECIALE* and *Noevir 505*, the latter of which was upgraded in October 2013. However, sales of other products edged down compared with the previous fiscal year.

In self-selection cosmetics, the *Sana Namerakahonpo* skincare line and *Sana Excel* makeup line garnered favorable customer reviews thanks to the Company's active investment in marketing activities. Reflecting this, sales in this product category grew year on year.

As a result, sales in the Cosmetics segment increased year on year to ¥32,100 million and segment income rose to ¥8,413 million.

Channels

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



Noevir 505 skincare line



Noevir Actrice makeup line



Sana Excel makeup line

Pharmaceuticals & Health Food

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 digestive aids, as well as nutritional supplements featuring high-quality natural ingredients and such health food products as tea.

Fiscal 2014 Results

Despite harsh competition, sales of pharmaceuticals held their ground thanks to the upgrade and expansion of the product lineup for our mainstay *Nanten Nodo Ame* cough drops. Sales of health foods rose year on year, reflecting the introduction of *Noevir Healthy Café*. In addition, we actively invested in advertising, stepping up marketing activities for such functional drink brands as *Min Min Da Ha* and *Kyo Kyo Da Ha*.

As a result, sales in the Pharmaceuticals & Health Food segment increased year on year to ¥14,067 million. However, segment income declined to ¥674 million.

Channels

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



Min Min Da Ha and Kyo Kyo Da Ha functional drinks



Noevir Healthy Café



Nanten Nodo Ame cough drops

Other

Overview

The Other segment encompasses apparel and aircraft sales and leasing.

Fiscal 2014 Results

Sales in the aviation-related business were firm due to an upturn in market demand in Europe and the United States. Sales in the apparel business stayed virtually unchanged year on year.

As a result, sales in the Other segment increased year on year to ¥2,085 million. However, in contrast with results for the previous fiscal year, a segment loss of ¥158 million was recorded.

Channels

- Direct Sales



Apparel product catalog

Strengthening Our Manufacturing Competitiveness to Win Customer Confidence



Sana Excel makeup line

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, our affordably priced skincare products enjoy 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 the Cosmetics business, we periodically release functional cosmetics—the crown jewels of the



Noevir DUALFLAT

Noevir Group's R&D strength. In fiscal 2014, we introduced Noevir DUALFLAT and Noevir INSTAFILLER anti-aging beauty serums. Moreover, as we consider reinforcing mainstay brands a Groupwide task, we updated our flagship Noevir 505 skincare line in October 2013. In October 2014, we followed this up with the release of the Noevir 99 Plus skincare line. An upgrade of the extremely successful Noevir 99 brand, which boasted the highest sales among the Group's skincare products. The new Noevir 99 Plus aims to capture an even broader customer base. We also launched the Noevir Actrice makeup line targeting consumers in their 30 to 40s with higher purchasing power. To enhance the lineup of our self-selection cosmetics sold under popular Sana

Namerakahonpo brand, we responded to burgeoning market needs by introducing new products with skin brightening and moisturizing functions. Moreover, to meet growing demand for versatile products, we released BB Mineral Powder Enrich, a multifunctional cosmetic in the Sana Pore Putty makeup line—which boasts the top share of the domestic self-selection cosmetics market for basic makeup.*

In the Pharmaceuticals & Health Food business, in October 2014 we



MIN-MIN Sparkling energy drink

introduced MIN-MIN Sparkling energy drink in the Min Min Da Ha functional drinks lineup, targeting the rapidly expanding domestic energy drink market.

* Based on the total sales of all 12 items in the Sana Pore Putty makeup line calculated from POS data gleaned by five retailers from January through March 2014 (Cosmetics sold under direct manufacturer control through storefronts, such as via dedicated booths, are excluded from this comparison with competing products.)



Noevir Actrice makeup line



Sana Namerakahonpo Moisturizing skincare line



Noevir 99 Plus skincare line



Research and Development

In April 2013, the Noevir Group integrated its research laboratories at Noevir Co., Ltd. and Tokiwa Pharmaceutical Co., Ltd., establishing the Noevir Group Research Laboratory. While continuing to expand the botanical expertise it has gained since its founding, the Group has positioned brain science and genetics as priority R&D areas as it aims to develop unique products that are insulated from price competition by creating new value. Moreover, we are increasing the breadth of our R&D by stepping up collaboration with universities, medical institutions and other external R&D bodies.

In November 2013, we signed a comprehensive partnership agreement with the Faculty of Bio-Industry at

Tokyo University of Agriculture, establishing the Hokkaido Okhotsk Area Collaborative Research Center. This facility aims to facilitate the development of new products based on the biological resources of the Sea of Okhotsk coastal region of Hokkaido. In addition, in October 2014 our Hokkaido Shokanbetsu Mountain Pilot Farm acquired certification for a portion of its grounds under the Japanese Agricultural Standard (JAS) for Organic Plants to initiate the development of organic cosmetics materials, with an eye to entering promising market for such cosmetics. Rallying its overall strengths, the Noevir Group will blaze new trails in diverse research fields, thereby delivering products with greater market competitiveness.



Quality Assurance

The Noevir Group is striving to ensure the stable provision of high-quality products capable of satisfying stringent safety standards. To this end, the Group has established its own quality assurance systems—entailing thorough quality control at each stage of production, from raw material procurement to manufacturing and shipment—under the leadership of the Intellectual Property & Quality Assurance Department. Serving as the Group’s key manufacturing facility for

cosmetics and quasi-drugs, the Shiga Factory has acquired certifications for the ISO 9001 quality management system and the ISO 14001 environmental management system. Moreover, the factory has established an integrated management system that meets the ISO 22716 standard, which provides technical guidelines for the manufacture and quality management of cosmetics, and is managing all operations based on this system.

TOPIC 1: Noevir Commended under the Intellectual Property Achievement Awards Program

In April 2014, Noevir Co., Ltd. received the “Award of the Minister of Economy, Trade and Industry” under the Intellectual Property Achievement Awards program. Sponsored by the Japan Patent Office of the Ministry of Economy, Trade and Industry, this program aims to spread awareness of intellectual property rights and promote development in the industrial sector by commending excellent companies that have effectively utilized intellectual property rights and contributed to the advance of the country’s patent system. In particular, the award was bestowed in recognition of the Company’s achievements in the following three areas: 1) brand strategies utilizing a trademark that is identical to its company name to enable consumers to quickly identify its quality advantage from the brand name; 2) the establishment of differentiated brand with superior quality by integrating intellectual property rights management and quality assurance activities under a unique organizational structure; and 3) branding activities aimed at gaining greater consumer recognition in Japan and overseas.

The Noevir Group is fully aware of that “consumer confidence” is what markets require of it most. We therefore focus on intellectual property rights management and quality assurance activities as we aim to fulfill our obligations as a manufacturer while exercising our rights to our products and brand. Having consolidated its intellectual property management and quality assurance sections, Noevir Co., Ltd. has been actively filing patent applications. As a result, we have long been a top company among domestic cosmetics manufacturers in terms of the ratio of patents granted to applications filed. We believe that these efforts help increase our developers’ motivation by making the fruit of their research activities visible. In addition to enhancing our brand value through the utilization of intellectual property rights, we are thus raising employees’ awareness of product innovation throughout the Group.

Looking ahead, the Noevir Group will step up intellectual property rights management to enhance its corporate value, thereby maintaining the trust of society.

TOPIC 2: Recruiting Female Researchers to Achieve Success

In concert with the establishment of a new research structure, in April 2014 the Noevir Group Research Laboratory increased the number of female researchers, in line with its aim of accelerating efforts to create groundbreaking products that meticulously reflect customer needs. The proportion of female to male researchers at the laboratory is now roughly

fifty-fifty. We are actively encouraging female workers to play an even greater role in our strategic and forward-looking product planning and development activities in order to better accommodate diversified market needs and achieve breakthroughs in the priority R&D areas.



Stepping Up Efforts to Enhance Our Sales Abilities

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 while offering mail order services. Regarding medium- and low-priced self-selection cosmetics, the Group mainly utilizes such general retailer channels as general merchandise stores, drugstores and variety stores while also selling these products online through each brand's website. For pharmaceuticals, the Group employs deposit sales, in which products are delivered on regular basis to contracted households and companies. In addition, the Group markets a variety of products, including functional drinks and cough drops, through drugstores and convenience stores nationwide. Moreover, the Group undertakes the contract manufacturing of cosmetics and quasi-drugs on an OEM basis, utilizing its know-how in both fields.

Enhancing Customer Satisfaction by Reinforcing Services Provided by Sales Representatives

Looking at the domestic market for high-end cosmetics products, which constitute a major earnings pillar for the Noevir Group, 25% of such cosmetics are sold through direct sales (see graph on page 4). With this in mind, we are enhancing communication with customers through such services as counseling, as we recognize that winning their trust is of prime importance. In line with this recognition, in 2011 we began certifying Noevir Beauty Studios, salons that serve as the key outlets for direct sales backed by our sales representatives. As of September 30, 2014, more than 1,500

salons have been certified as Noevir Beauty Studios and are striving to enhance customer services while developing human resources. Certifying excellent salons also helps increase the motivation of salon managers and staff.

We also award Noevir Beauty Studio Premium certificates to salons that satisfy even higher standards, in line with our aim of perfecting a model that salons nationwide can emulate. Our headquarters provide certificate holders with exhaustive support, including business consultation, as we expect them to further enhance Noevir's brand image.



Providing makeup tips



Providing skincare services



Noevir Style Ginza
directly managed store



Noevir Style Ginza
directly managed store

Directly Managed Noevir Style Stores Are Increasing Brand Recognition

Noevir Style stores are directly managed by our headquarters and regularly provide beauty tips and lessons on using our products. Their efforts help increase brand recognition and stimulate customer purchasing.

As of November 1, 2014, we were operating nine Noevir Style stores. All of these stores are situated in prime locations in major cities to ensure settings best suited to Noevir's brand image.

Sales Promotion to Secure Competitiveness in the General Retail Market

Due to the wide range of merchandise sold, the general retail market is vulnerable to the threat of new entries from outside conventional industrial boundaries. Such incursions lead to even harsher market competition, which, in turn, makes it difficult to secure prime placement on store shelves unless products are part of a sales campaign. Sales promotion is thus a key factor affecting revenues

from self-selection cosmetics and functional drinks.

To increase brand recognition and induce more widespread appreciation of its products, the Noevir Group's ongoing sales promotion activities include aggressive advertising campaigns focused on its popular brands, such as the Sana Namerakahonpo skincare line and Sana Excel makeup line, as well as the

うるおいで、
美白肌は輝く。

第1位

美白成分（高純度アルブチン）^{※1}と、
保湿成分（豆乳発酵液）^{※2}で透明感のある肌へ。

SANA

※1 メチロシド生成を阻み、シミ・そばかすを防ぐ。 ※2 豆乳発酵液は配合のサナダケアリア発酵液。品質向上策として2013年1月～7月、全店設置。PDSデータ。 ※3 美白有効成分。 ※4 豆乳発酵液（保湿成分）はエシオラザンが由来です。

Advertising for Sana Namerakahonpo skincare line

Sana Pore Putty makeup line, which provides a basic multifunctional makeup solution that has recently gained a lot of attention. These campaigns feature TV personalities chosen for their popularity among each brands' target demographic. In addition, with the aim of enhancing the brand recognition of Min Min Da Ha functional drinks, the Group has employed a cross-media approach centered on TV commercials, followed by transportation, radio and internet advertising.



In-station advertising for Min Min Da Ha functional drinks

Developing Salons Capable of Providing Even-Higher-Quality Services

With the aim of creating a model for our Noevir Beauty Studios nationwide, in September 2013 we began awarding a Noevir Beauty Studio Premium certificate to excellent salons that satisfy higher standards in such areas as beauty consulting skills, salon environment and customer development and retention capabilities. Based on comprehensive evaluations by external judges, we certified one salon in 2013 and two salons in 2014. As we aim to nurture key players that will help solidify Noevir's brand image, our headquarters are providing these three salons with exhaustive support, including business consultation and training on beauty consulting.

Two Salons Winning a Noevir Beauty Studio Premium Certificate in 2014

Noevir Beauty Studio "Color Studio if & Community Salon Lier"

This salon provides skincare lessons and facial treatment services as well as instruction in applying makeup with an emphasis on Noevir Color Communication, which provides each customer with advice on selecting the optimal palette. Striving to help every woman live with confidence, the salon is enhancing communication with customers.



Color Studio if & Community Salon Lier

Noevir Beauty Studio "Espoir"

"Espoir" won first prize at Noevir's Makeup Grand-Prix 2014, in which sales representatives compete. In addition to enhancing makeup skills, the salon is striving to improve its techniques and services, such as the provision of skincare advice, thereby winning the trust of local residents.



The Makeup Grand-Prix 2014

Corporate Governance

Organizational Structure

The Board of Directors of Noevir Holdings ("the Company") consists of seven members, including two outside directors.* Board of directors' meetings are held monthly on a regular basis, with extraordinary meetings convened as necessary. During the fiscal year under review, twelve 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.

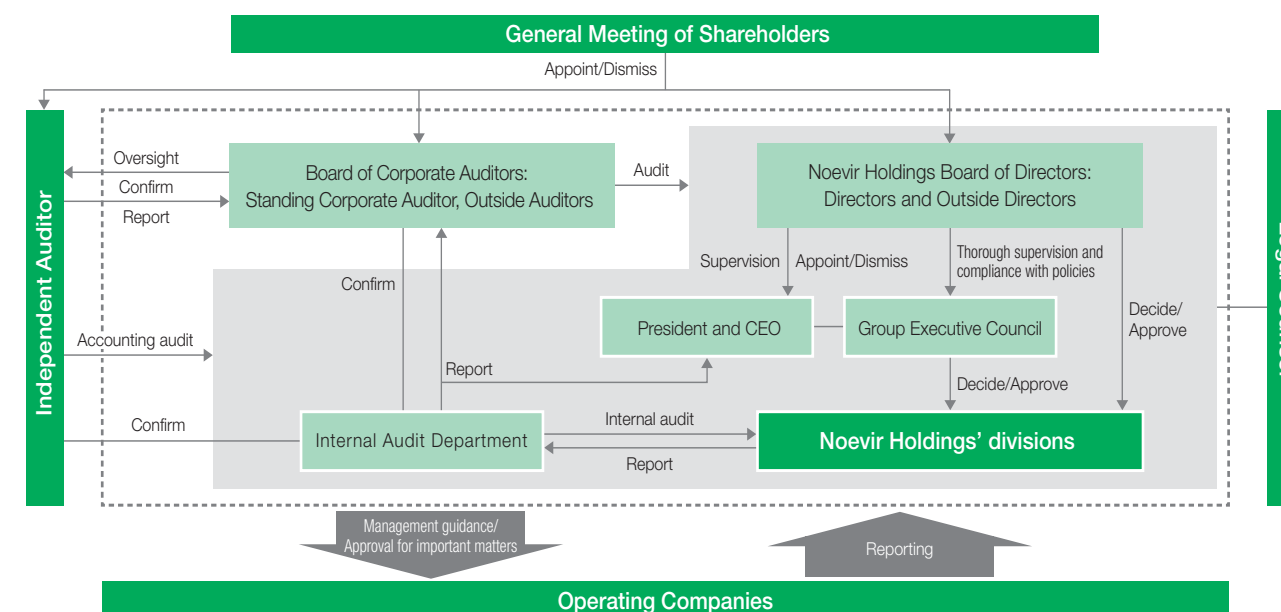
In order to deepen the understanding of its stakeholders and ensure their appropriate evaluation, Noevir Holdings voluntarily and consistently discloses important information pertaining to the Group in a fair, timely and appropriate manner. To disseminate investor relations (IR) information, Noevir Holdings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

*Independent directors 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 the 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 further business growth.

Initiatives Undertaken by NOEVIR Co., Ltd.

Introducing Timeless Masterpieces at NOEVIR Ginza Gallery

In 2007, Noevir Co., Ltd. set up an art gallery on the ground floor of its Tokyo Headquarters building. Since then, we have sponsored nearly 50 exhibitions featuring artworks with timeless value.

In addition to introducing up-and-coming Japanese artists, the gallery displays the works of such masters as Marc Chagall as well as pieces created by world-famous contemporary artists, including Yayoi Kusama. Taking advantage of its location in Ginza—a trendsetting urban home to a number of art galleries—this facility introduces masterpieces from a range of genres, attracting a wide range of visitors.



NOEVIR Ginza Gallery

Promoting Sports Activities by Sponsoring NOEVIR Sailing Team



NOEVIR Sailing Team

Noevir Co., Ltd. has implemented initiatives to promote sports activities, such as acquiring the naming rights to a stadium. In March 2014, in concert with the celebration of the 50th anniversary of its founding and to assist female athletes who aspire to enter the 2020 Summer Olympics in Tokyo, the Company established a sailing team. Consisting of one coach, two female athletes and one trainer, this team will perform in the two-person dinghy 470 Class. Expectations are high in this class, as Japan won both silver (female) and bronze (male) medals in this class in Atlanta in 1996 and Athens in 2004, respectively.

Helping Children Grow Up at Yoro Green House Surrounded by Nature

In October 2014, Noevir Co., Ltd. established Yoro Green House, a dormitory for children who are elementary through junior high school age, on Yoro Island, which is situated the south of Amami Ohshima Island, Kagoshima Prefecture. We have been active on the island since 1990, pursuing R&D and manufacturing raw materials at a local research and production site. Looking to revitalize the local island community, we decided to make Yoro Green House a part of our CSR initiatives. Specifically, we launched a residential program for children from off-island, providing accommodation and adult supervision in the form of

house parents while they attend local elementary and junior high schools. We believe that the program will help nurture independent-minded children who have a rich sense of wonder as they come into contact with the island’s beautiful and sometimes wild natural environment and engage with the local people.



Yoro Green House

An Initiative Undertaken by Tokiwa Pharmaceutical Co., Ltd.

Recycling Leftover Cosmetics at Promotion Events



Brand name shopping bags

We collected leftover cosmetics at REAL AUTUMN TREND, a promotion event for the autumn 2014 Sana Excel makeup line. Thanks to the large number of attendees participating in this initiative, we were able to recover 922 units. In tandem with an external organization, we recycled the collected cosmetics into pigments that were used to color the original illustrations employed in the design of brand name shopping bags for use during upcoming Sana Excel makeup line promotion campaigns. Looking ahead, we will pursue social contribution activities while welcoming customers to join us.

An Initiative Undertaken by the Noevir Green Foundation

Supporting the Sound Upbringing of Children through Sports Promotion

The Noevir Green Foundation is a public interest incorporated foundation established by Noevir Holdings Co., Ltd. in 2013 to contribute to the preservation of the environment, the sound upbringing of children and the development of an affluent society. The foundation provides subsidies to organizations that strive to nurture

children and young people through sports activities, field trip programs and other initiatives as well as to 18-year-old or younger amateur athletes who are aiming to take part in world tournaments or Olympic games. The first round of subsidies was offered to three entities and three individual athletes.

Financial Section

Management’s Discussion and Analysis

Overview

During fiscal 2014 (October 1, 2013 to September 30, 2014), the Japanese economy saw an overall deceleration in its upward momentum, having recorded a rise in demand prior to the consumption tax-rate increase in April followed by a market recoil and poor weather over the summer.

In the domestic cosmetics market—the Noevir Group’s core operating domain—recovery in demand was sluggish, reflecting the lingering effect of the consumption tax increase.

Under these circumstances, the Cosmetics segment saw solid sales of the high-end skincare series, while sales of other counseling cosmetics declined from a year ago. In self-selection cosmetics, sales remained firm and increased year on year, thanks to favorable customer reviews for the Group’s skincare and makeup series. In the Pharmaceuticals & Health Food segment, sales remained almost level with those of a year ago as a result of the release of upgraded lines in our mainstay pharmaceutical brands. Sales of nutritional supplements increased year on year.

To address the adverse effect of the consumption tax increase, the Group aggressively invested in marketing activities in the Cosmetics and the Pharmaceuticals & Health Food segments.

As a result, consolidated business results for fiscal 2014 included an increase in revenues and a decrease in earnings. Specifically, net sales came to ¥48,253 million,

while the cost of sales amounted to ¥16,523 million and as a percentage of net sales was 34.2%. Selling, general and administrative (SG&A) expenses were ¥24,666 million, and the ratio of SG&A expenses to net sales was 51.1%. The cost of sales as a percentage of net sales and the ratio of SG&A expenses to net sales increased 0.4 and 0.5 of a percentage point year on year, respectively.

Operating income totaled ¥7,064 million and net income came to ¥4,349 million. The operating income margin was 14.6%, down 1.0 percentage point year on year.

Assets, Liabilities and Net Assets

The Company’s total assets at fiscal 2014 year-end stood at ¥88,058 million, up ¥1,187 million compared with the previous fiscal year-end. This was mainly due to an increase in equipment and vehicles, net, of ¥1,737 million offsetting a decline in notes and accounts receivable of ¥409 million.

Total liabilities at year-end decreased ¥1,553 million year on year to ¥32,039 million. This was largely due to decreases in income tax payable of ¥1,487 million and guarantee deposits received of ¥654 million.

Net assets at year-end increased ¥2,740 million to ¥56,018 million. This was mainly attributable to a ¥2,477 million increase in retained earnings that reflected the posting of net income of ¥4,349 million, less a distribution of dividends, totaling ¥1,872 million.

As a result of the foregoing, the equity ratio stood at

63.5%, while net assets per share came to ¥1,494.14, increases of 2.2 percentage points and ¥72.72, respectively.

Cash Flows

Cash and cash equivalents on a consolidated basis at the reporting year-end stood at ¥41,840 million, a decrease of ¥222 million compared with ¥42,062 million at the end of the previous fiscal year.

Net cash provided by operating activities amounted to ¥5,406 million. This was mainly due to the posting of

income before income taxes of ¥7,458 million and depreciation of ¥1,021 million, against an outflow of ¥4,417 million for income tax paid.

Net cash used in investing activities came to ¥3,844 million. The primary outflows were for the purchase of property, plant and equipment of ¥2,939 million and payments for the transfer of business of ¥810 million.

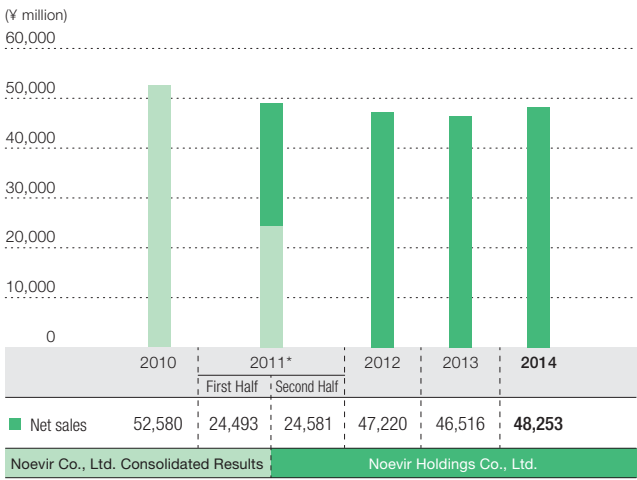
Net cash used in financing activities amounted to ¥1,874 million. This was mainly attributable to cash dividends paid of ¥1,874 million.

Five-Year Summary

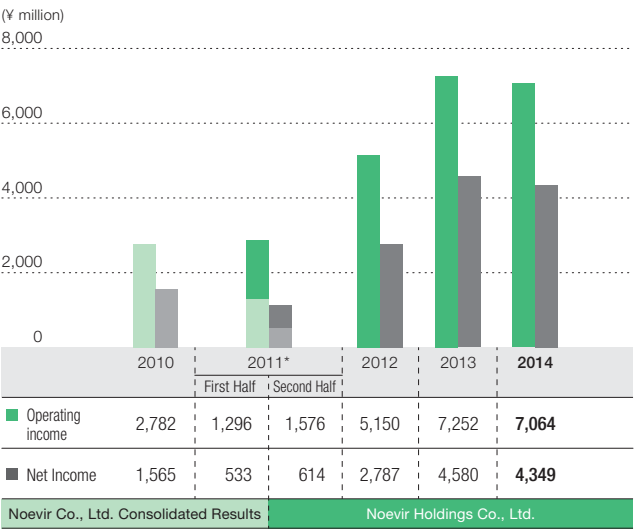
(Millions of yen)						
Fiscal Year	Noevir Co., Ltd. Consolidated Results		Noevir Holdings Co., Ltd.			
	2010	2011	2011	2012	2013	2014
Period/Item	September 21, 2009-September 20, 2010	September 21, 2010-March 20, 2011 (March 21, 2011*)	March 22, 2011-September 30, 2011	October 1, 2011-September 30, 2012	October 1, 2012-September 30, 2013	October 1, 2013-September 30, 2014
Net sales	¥ 52,580	¥ 24,493	¥ 24,581	¥ 47,220	¥ 46,516	¥ 48,253
Operating income	2,782	1,296	1,576	5,150	7,252	7,064
Net income	1,565	533	614	2,787	4,580	4,349
Total assets	88,797	86,841	87,427	83,701	86,871	88,058
Total net assets	52,012	50,992	51,595	49,689	53,278	56,018
Capital expenditures	710	361	186	234	701	2,989
Depreciation	1,894	854	910	1,702	1,107	1,021
R&D costs	1,541	775	675	1,095	974	1,044
Dividends per share (yen)	¥ 36.00	¥ —	¥ 36.00	¥ 40.00	¥ 50.00	¥ 60.00
Earnings per share, basic (yen)	¥ 37.88	¥ 12.90	¥ 14.88	¥ 73.37	¥ 122.34	¥ 116.16
Total net assets per share (yen)	¥1,258.20	¥1,233.49	¥1,248.02	¥1,325.88	¥1,421.42	¥1,494.14
ROE (%)**	3.0%	—	—	5.5%	8.9%	8.0%
ROA (%)**	1.8%	—	—	3.3%	5.4%	5.0%
Equity ratio (%)	58.6%	58.7%	59.0%	59.3%	61.3%	63.5%
Number of employees (consolidated)	2,287	—	2,097	1,798	1,670	1,641
Cosmetics						
Net sales	¥ 34 ,589	¥ 16,030	¥ 16,167	¥ 32,223	¥ 31,278	¥ 32,100
Operating income/Segment income	4,799	2,046	2,273	5,591	7,775	8,413
Pharmaceuticals***						
Net sales	6,539	—	—	—	—	—
Operating income	(729)	—	—	—	—	—
Health Food***						
Net sales	8,440	—	—	—	—	—
Operating income	346	—	—	—	—	—
Pharmaceuticals & Health Food***						
Net sales	—	7,404	6,821	13,595	13,549	14,067
Segment income	—	(13)	94	1,245	1,295	674
Other						
Net sales	3,012	1,059	1,592	1,401	1,688	2,085
Operating income/Segment income	(77)	(32)	75	70	3	(158)

* 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. 19 note**) Second Half: March 22, 2011–September 30, 2011

■ Consolidated Financial Statements

Consolidated Balance Sheets

	(Thousands of yen)	
	As of September 30, 2014	As of September 30, 2013
ASSETS		
Current assets		
Cash and cash equivalents	¥41,871,716	¥42,096,084
Notes and accounts receivable	10,504,408	10,914,170
Merchandise and finished goods	5,052,579	5,254,686
Work in progress	92,129	216,484
Raw materials and purchased supplies	1,087,715	1,096,459
Deferred tax assets	1,006,651	1,180,534
Other receivables	2,027,529	1,925,344
Other	658,465	830,839
Allowance for doubtful accounts	(32,557)	(33,069)
Total current assets	62,268,640	63,481,536
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,446,686	4,770,138
Equipment and vehicles, net	2,384,905	647,121
Land	13,642,382	13,642,382
Lease assets, net	51,527	29,630
Construction in progress	661,797	60,146
Other, net	274,446	237,394
Total property, plant and equipment	21,461,746	19,386,814
Intangible assets		
Goodwill	171,835	—
Software	118,842	174,267
Other	86,047	94,299
Total intangible assets	376,724	268,567
Investments and other assets		
Investment securities	899,466	728,677
Deferred tax assets	1,943,823	1,951,096
Other	1,157,789	1,112,168
Allowance for doubtful accounts	(50,091)	(57,857)
Total investments and other assets	3,950,988	3,734,085
Total non-current assets	25,789,459	23,389,467
Total assets	¥88,058,100	¥86,871,003

	(Thousands of yen)	
	As of September 30, 2014	As of September 30, 2013
LIABILITIES AND NET ASSETS		
Current liabilities		
Notes and accounts payable	¥ 4,505,839	¥ 3,968,830
Lease obligations	14,511	11,176
Other accounts payable	3,565,820	3,045,128
Income tax payable	1,416,355	2,904,258
Reserve for bonuses	262,271	288,629
Reserve for product returns	430,929	543,031
Other	1,116,366	1,175,848
Total current liabilities	11,312,095	11,936,904
Long-term liabilities		
Lease obligations	32,976	19,917
Guarantee deposits received	15,922,999	16,577,786
Deferred tax liabilities	250,710	223,355
Reserve for employees' retirement benefits	—	4,649,363
Net defined benefit liability	4,336,412	—
Other	183,991	185,673
Total long-term liabilities	20,727,089	21,656,096
Total liabilities	32,039,184	33,593,000
NET ASSETS		
Shareholders' equity		
Common stock	7,319,000	7,319,000
Additional paid-in capital	3,484,620	3,484,620
Retained earnings	44,932,325	42,455,189
Treasury stock	(294)	(138)
Total shareholders' equity	55,735,651	53,258,671
Accumulated other comprehensive income		
Net unrealized gain on other securities	294,348	244,187
Foreign currency translation adjustments	(140,651)	(281,011)
Remeasurements of defined benefit plans	55,092	—
Total accumulated other comprehensive income	208,789	(36,824)
Minority interests	74,473	56,155
Total net assets	56,018,915	53,278,002
Total liabilities and net assets	¥88,058,100	¥86,871,003

Consolidated Statements of Income

	(Thousands of yen)	
	Year ended September 30, 2014	Year ended September 30, 2013
Net sales	¥48,253,946	¥46,516,576
Cost of sales	16,523,477	15,707,046
Gross profit	31,730,469	30,809,529
Selling, general and administrative expenses		
Cost of sales	3,959,774	3,851,354
Advertising expenses	1,852,953	1,337,360
Salaries and bonuses	6,849,155	6,912,695
Accrued allowance for bonuses	210,767	228,121
Retirement benefits for employees	592,509	589,248
Depreciation	563,049	693,048
Research and development expenses	1,040,680	968,914
Other	9,597,174	8,976,496
Total	24,666,065	23,557,239
Operating income	7,064,403	7,252,290
Non-operating income		
Interest income	11,664	9,141
Dividend income	10,231	9,455
Exchange differences	173,600	20,267
Sales of promotional materials	21,213	22,398
Lease income	89,202	54,227
Insurance dividends	23,671	76,400
Other	124,045	115,677
Total	453,629	307,569
Non-operating expenses		
Commitment fee	3,484	9,486
Other	854	2,388
Total	4,339	11,875
Ordinary income	7,513,693	7,547,984
Extraordinary income		
Gain on sale of fixed assets	3,272	9,577
Total	3,272	9,577
Extraordinary losses		
Loss on disposal of fixed assets	30,829	49,566
Impairment loss	27,208	—
Total	58,038	49,566
Income before income taxes	7,458,927	7,507,995
Income taxes—basic	2,823,132	3,040,322
Income taxes—deferred	275,501	(120,862)
Total	3,098,633	2,919,460
Income before minority interests	4,360,293	4,588,535
Minority interests	11,020	7,664
Net income	¥ 4,349,272	¥ 4,580,870

Consolidated Statements of Comprehensive Income

	(Thousands of yen)	
	Year ended September 30, 2014	Year ended September 30, 2013
Income before minority interests	¥4,360,293	¥4,588,535
Other comprehensive income		
Net unrealized gain on other securities	50,161	204,535
Foreign currency translation	147,657	302,369
Total	197,819	506,904
Comprehensive income	¥4,558,112	¥5,095,440
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,539,794	5,074,887
Comprehensive income attributable to minority interests	18,318	20,552

Consolidated Changes to Equity

Year ended (September 30, 2013)	(Thousands of yen)				
	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	¥7,319,000	¥3,484,620	¥39,372,029	¥ (50)	¥50,175,599
Changes during the reporting period					
Distribution of dividends from retained earnings			(1,497,711)		(1,497,711)
Net income			4,580,870		4,580,870
Purchase of own shares				(87)	(87)
Changes during the reporting period, excluding shareholders' equity					
Total changes during the period	—	—	3,083,159	(87)	3,083,071
Balance at end of the year	¥7,319,000	¥3,484,620	¥42,455,189	¥(138)	¥53,258,671

	Accumulated other comprehensive income					
	Net unrealized gain on other securities	Foreign currency translation	Remeasurements of defined benefit plans	Accumulated other comprehensive income	Minority interests	Total net assets
Balance at beginning of the year	¥ 39,651	¥(570,493)	—	¥(530,841)	¥44,902	¥49,689,660
Changes during the reporting period						
Distribution of dividends from retained earnings						(1,497,711)
Net income						4,580,870
Purchase of own shares						(87)
Changes during the reporting period, excluding shareholders' equity	204,535	289,481	—	494,016	11,253	505,270
Total changes during the period	204,535	289,481	—	494,016	11,253	3,588,341
Balance at end of the year	¥244,187	¥(281,011)	—	¥ (36,824)	¥56,155	¥53,278,002

Consolidated Changes to Equity (Continued)

Year ended (September 30, 2014)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	¥7,319,000	¥3,484,620	¥42,455,189	¥(138)	¥53,258,671
Changes during the reporting period					
Distribution of dividends from retained earnings			(1,872,136)		(1,872,136)
Net income			4,349,272		4,349,272
Purchase of own shares				(155)	(155)
Changes during the reporting period, excluding shareholders' equity					
Total changes during the period	—	—	2,477,136	(155)	2,476,980
Balance at end of the year	¥7,319,000	¥3,484,620	¥44,932,325	¥(294)	¥55,735,651

	Accumulated other comprehensive income					Total net assets
	Net unrealized gain on other securities	Foreign currency translation	Remeasurements of defined benefit plans	Accumulated other comprehensive income	Minority interests	
Balance at beginning of the year	¥244,187	¥(281,011)	—	¥ (36,824)	¥56,155	¥53,278,002
Changes during the reporting period						
Distribution of dividends from retained earnings						(1,872,136)
Net income						4,349,272
Purchase of own shares						(155)
Changes during the reporting period, excluding shareholders' equity	50,161	140,360	55,092	245,614	18,318	263,932
Total changes during the period	50,161	140,360	55,092	245,614	18,318	2,740,912
Balance at end of the year	¥294,348	¥(140,651)	¥55,092	¥208,789	¥74,473	¥56,018,915

Consolidated Statements of Cash Flows

(Thousands of yen)

	Year ended September 30, 2014	Year ended September 30, 2013
Cash flows from operating activities		
Income before income taxes	¥ 7,458,927	¥ 7,507,995
Depreciation	1,021,696	1,107,223
Impairment loss	27,208	—
Amortization of goodwill	42,958	7,547
Decrease in reserve for doubtful accounts	(8,878)	(62,718)
Decrease (Increase) in reserve for bonuses	(26,808)	125,919
Decrease in reserve for product returns	(112,101)	(148,394)
Decrease in reserve for retirement benefits	—	(43,581)
Decrease in net defined benefit liability	(228,235)	—
Interest and dividends received	(21,895)	(18,597)
Gain on currency translation	(123,229)	(21,640)
Loss on sales of property, plant and equipment	27,557	39,988
Decrease in trade receivables	481,615	923,872
Decrease in inventories	779,347	813,198
Increase (decrease) in trade payables	532,693	(906,117)
Decrease in guarantee deposits	(655,070)	(781,446)
Other	612,091	(807,582)
Subtotal	9,807,877	7,735,667
Interest and dividends received	16,518	19,327
Income tax paid	(4,417,540)	(1,976,109)
Net cash provided by operating activities	5,406,854	5,778,884
Cash flows from investing activities		
Expenditure for deposit to time deposits	(4,029,431)	(2,031,637)
Proceeds from withdrawal of time deposits	4,034,969	4,000,000
Purchase of securities	(11,995,531)	—
Proceeds from redemption of securities	12,000,000	—
Purchase of investment securities	(91,800)	(2,110)
Purchase of investments in subsidiaries	—	(16,814)
Purchase of property, plant and equipment	(2,939,542)	(505,983)
Proceeds from sale of property, plant and equipment	33,973	11,719
Purchase of intangible assets	(46,759)	(61,944)
Payments for transfer of business	(810,000)	—
Net cash used in (provided by) investing activities	(3,844,122)	1,393,228
Cash flows from financing activities		
Purchase of treasury stock	(155)	(87)
Cash dividends paid	(1,874,354)	(1,498,589)
Net cash used in financing activities	(1,874,510)	(1,498,676)
Effects of exchange rate changes on cash and cash equivalents	89,322	136,223
Net change in cash and cash equivalents	(222,455)	5,809,660
Cash and cash equivalents, beginning of year	42,062,888	36,253,228
Cash and cash equivalents, end of year	¥41,840,433	¥42,062,888

Principal Consolidated Subsidiaries (As of September 30, 2014)

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 makeup 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 makeup 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 makeup 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 makeup 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 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 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	100.00	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 Zhaojiabang 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 11, 2014)

Chairman and
Representative Director
Hiroshi Okura

President and CEO
Takashi Okura

Directors
Ikkou Yoshida
Yasuo Kaiden
Masataka Nakano

Outside Directors
Sanae Tanaka*
Yukino Kikuma*

Standing Corporate Auditor
Masashi Akagawa

Outside Corporate Auditors
Masakazu Ueda**
Kazuhiro Kida**

* Independent directors
** Independent corporate auditors

Investor Information (As of September 30, 2014)

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

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)
NII Co., Ltd.	6,972	18.62
Hiroshi Okura	6,438	17.19
Takashi Okura	3,699	9.87
Okura Kohsan Co., Ltd.	2,991	7.98
Sumitomo Mitsui Banking Corporation	900	2.40
Noevir Holdings Employees Shareholdings Scheme	751	2.00
Mizuho Bank, Ltd.	600	1.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	471	1.25
Japan Trustee Services Bank, Ltd. (Trust Account)	366	0.97
Sumitomo Life Insurance Company	300	0.80
Nihon Kolmar Co., Ltd.	300	0.80
Total	23,789	63.53

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.

NOEVIR HOLDINGS

7-6-15 Ginza, Chuo-ku, Tokyo 104-8208, Japan

Phone: +81-3-5568-0305 Fax: +81-3-5568-0441

<http://www.noevirholdings.co.jp>