

# Noevir Holdings Co., Ltd.

# Results for the First Half of Fiscal 2023

(October 1, 2022 – March 31, 2023)

May 17, 2023

Noevir Holdings Co., Ltd.

Ikkou Yoshida, Managing Director

# Company Overview

**Noevir Holdings Co., Ltd.** Tokyo Stock Exchange, Prime Market Ticker: 4928

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

**Paid-in Capital** ¥7,319 million

**Consolidated Subsidiaries** 13 subsidiaries (6 domestic / 7 international)

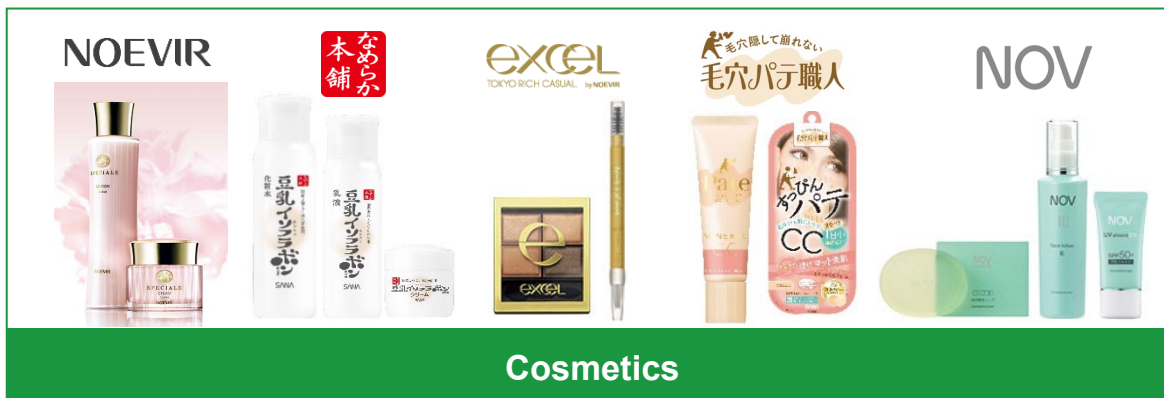
**Employees** 1,398 (Consolidated) (As of September 30, 2022)

**Number of shareholders** 19,608 (As of March 31, 2023)

**Outstanding Shares** 34,156 thousand shares

**Market Capitalization** ¥187.861 billion (May 16, 2023 @ ¥5,500)

**Line of Business**



Apparel business  
Aviation-related business

**Other**

# 1. Results for the First Half of Fiscal 2023

2. The First Half of Fiscal 2023  
Segment-Based Highlights

3. Medium-term Management Plan

4. Forecasts and Initiatives  
for the Second Half of Fiscal 2023

# The First Half of Fiscal 2023 Consolidated Results Summary

**Increased sales and profits vs. both planned company target  
and actual results year on year**

	1st half of fiscal 2023	Year-on-year change	Planned company Target (vs. forecast target)
Net sales	30,800 million yen	+2.4%	+2.3%
Operating income	5,700 million yen	+10.0%	+8.5%
Operating income margin	18.6%	+1.3pt	+1.1pt

## ➤ Factors increasing sales and profits

- (1) Self-selection cosmetics performed strongly
- (2) SG&A expenses were streamlined

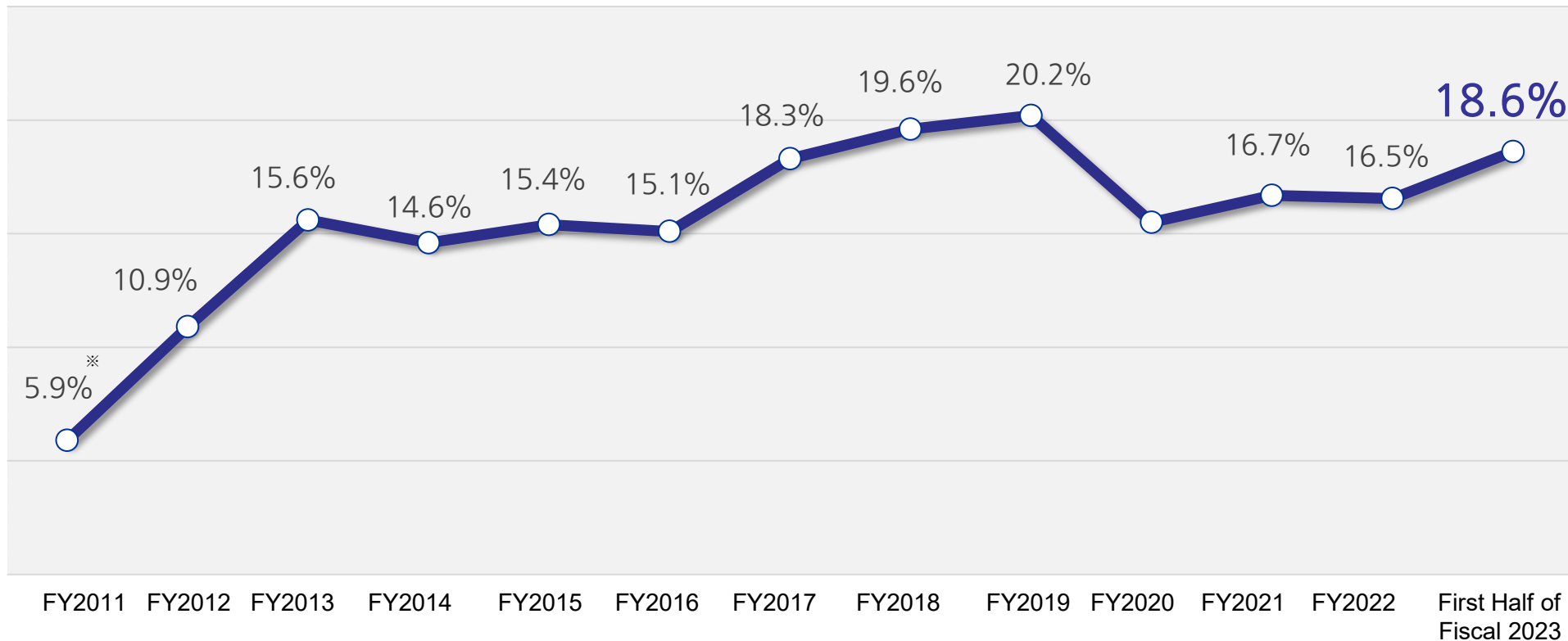
Operating income  
margin  
**18.6%**

# The First Half of Fiscal 2023 Highlights

Net sales 30,896 million yen (+ 2.4% year-on-year), operating income 5,750 million yen (+10.0%), ordinary income 5,809 million yen (+9.0%), net income attributable to owners of the parent 2,672 million yen (-10.4%)

	1st half ended March 31, 2023	1st half ended March 31, 2022	Year-on-year change		Earning forecast target	
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen	%
<b>Net sales</b>	<b>30,896</b>	30,161	734	2.4	30,200	2.3
Cost of sales	9,629	9,193	436	4.7		
Gross profit	<b>21,267</b>	20,968	298	1.4		
SG&A	15,517	15,739	(222)	(1.4)		
<b>Operating income</b>	<b>5,750</b>	5,229	520	10.0	5,300	8.5
Non-operating income (expenses)	59	98	(39)	(39.8)		
<b>Ordinary income</b>	<b>5,809</b>	5,327	481	9.0	5,400	7.6
Extraordinary income (loss)	(1)	960	(961)	—		
Income before income taxes	5,807	6,288	(480)	(7.6)		
Income taxes	3,135	3,306	(170)	(5.2)		
<b>Net income attributable to owners of the parent</b>	<b>2,672</b>	2,982	(310)	(10.4)	2,400	11.3
Cost of sales ratio (%)	31.2	30.5	—	0.7pt	—	—
<b>Operating income margin (%)</b>	<b>18.6</b>	17.3	—	1.3pt	17.5	1.1pt
Ordinary income margin (%)	18.8	17.7	—	1.1pt	17.9	—
Net income attributable to owners of the parent margin (%)	8.6	9.9	—	(1.2pt)	7.9	—
<b>SG&amp;A ratio (%)</b>	<b>50.2</b>	52.2	—	(2.0pt)	—	—

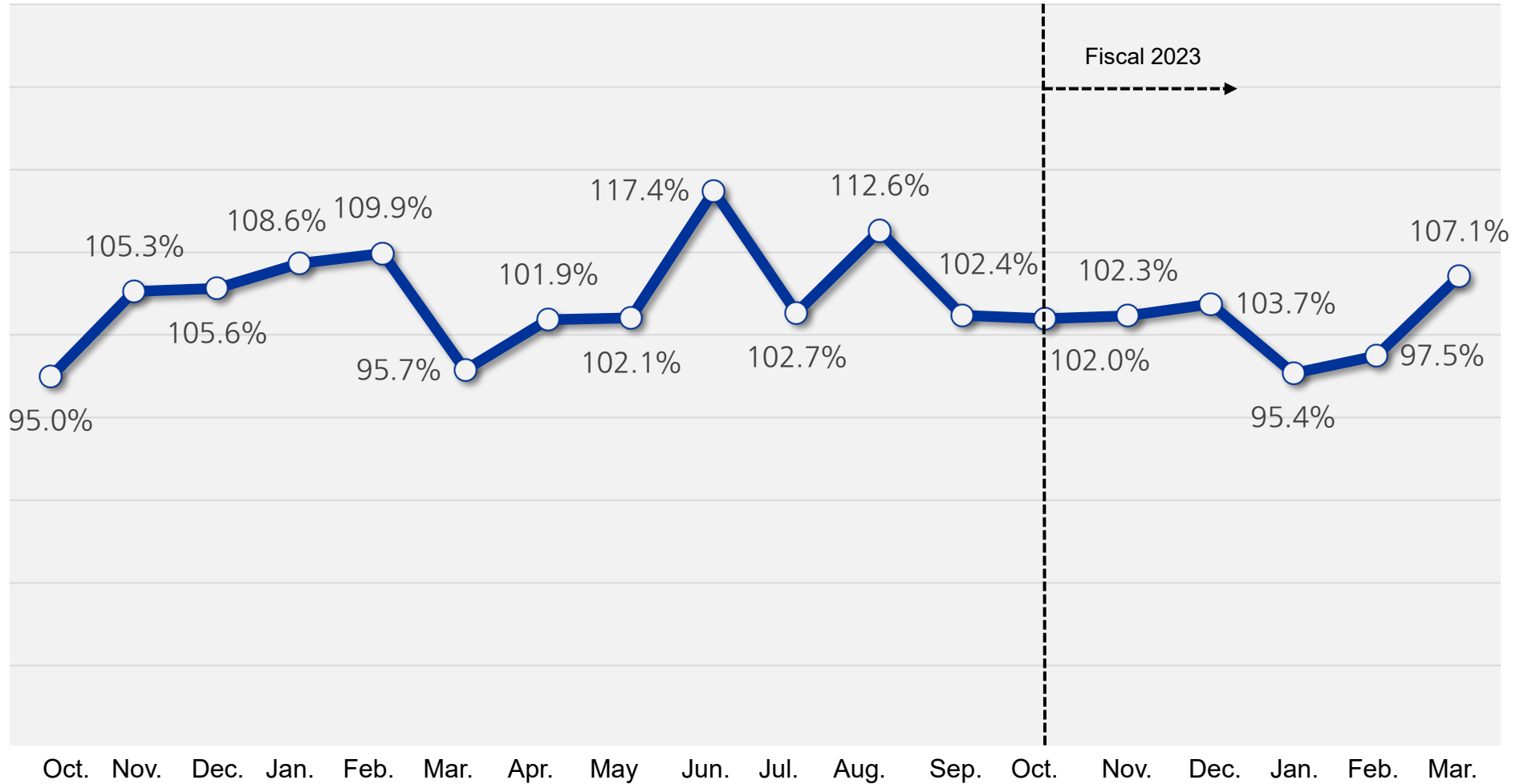
# Operating Income Margin



**Continued to maintain a high operating income margin in 1H FY2023**

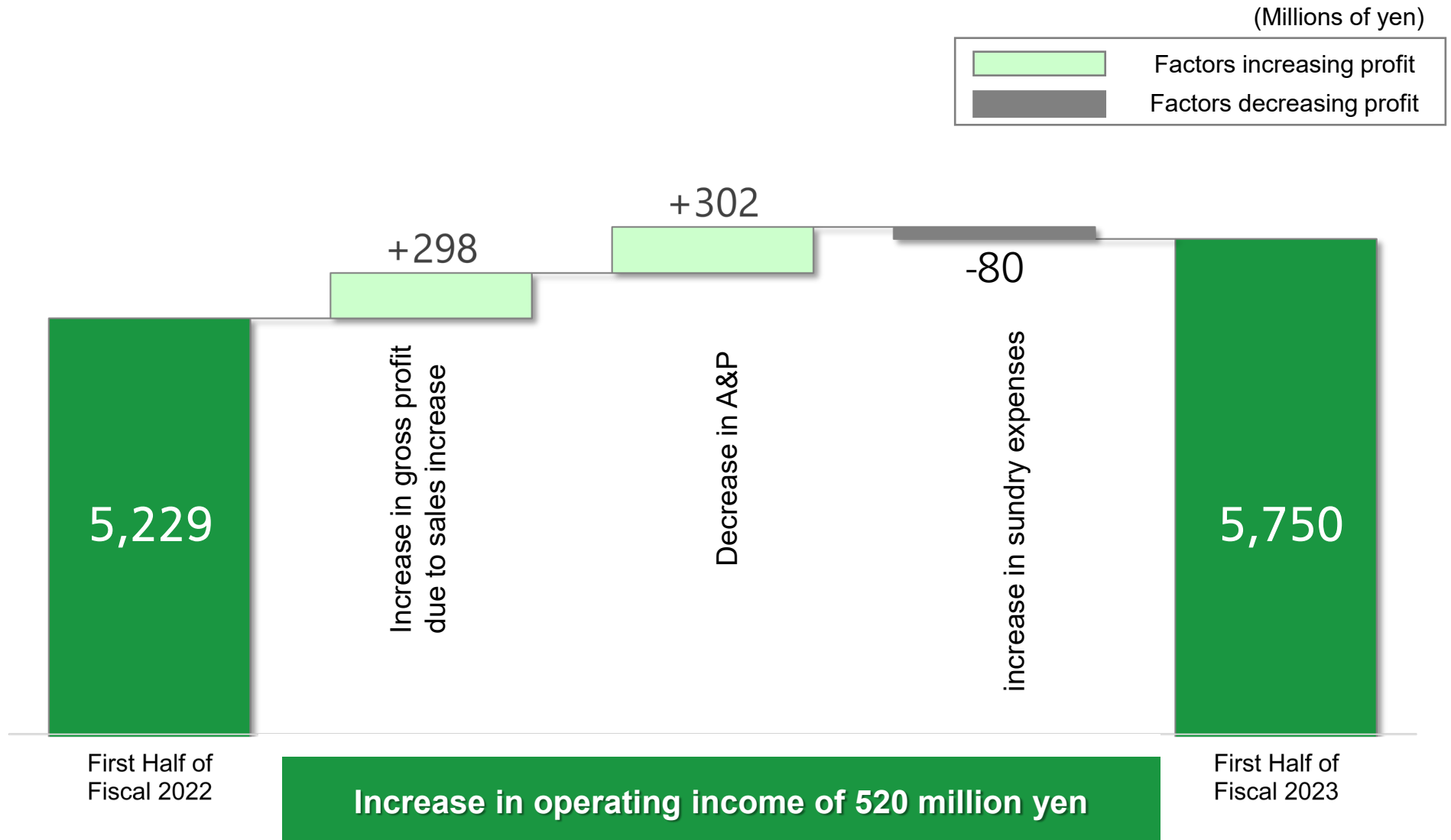
※ The operating income margin for fiscal 2011 was calculated from a sum of results for Noevir Co., Ltd. for 1H fiscal 2011 and Noevir Holdings Co., Ltd. for fiscal 2011.

# Monthly Net Sales in the Cosmetics Segment Year on Year



# The First Half of Fiscal 2023

## Reasons for Change in Operating Income





1. Results for the First Half of Fiscal 2023

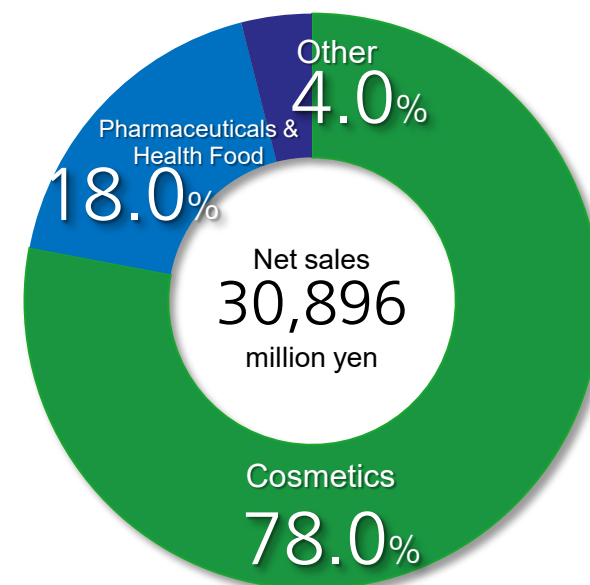
**2. The First Half of Fiscal 2023  
Segment-Based Highlights**

3. Medium-term Management Plan

4. Forecasts and Initiatives  
for the Second Half of Fiscal 2023

# The First Half of Fiscal 2023 Segment-Based Highlights

	1st half ended March 31, 2023	1st half ended March 31, 2022	Year-on-year change	
	Millions of yen	Millions of yen	Millions of yen	%
<b>Cosmetics</b>				
Net sales	<b>24,091</b>	23,743	348	1.5
Segment income	<b>6,174</b>	5,435	738	13.6
<b>Pharmaceuticals &amp; Health Food</b>				
Net sales	<b>5,579</b>	5,450	129	2.4
Segment income	<b>542</b>	766	(224)	(29.3)
<b>Other</b>				
Net sales	<b>1,225</b>	967	257	26.6
Segment income	<b>164</b>	166	(2)	(1.2)
<b>Consolidated net sales</b>	<b>30,896</b>	30,161	734	2.4

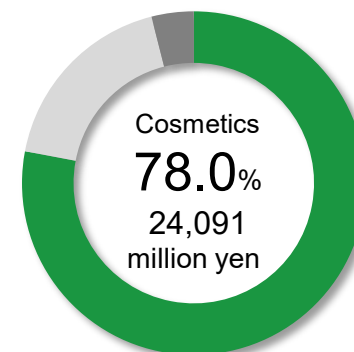


Composition of net sales in the first half of fiscal 2023

<b>Cosmetics</b>	Sales and profits increased year on year	Sales increased due to firm sales of self-selection cosmetics and profit increased due to streamlining of SG&A expenses
<b>Pharmaceuticals &amp; Health Food</b>	Sales increased while profits decreased year on year	Profits decreased mainly due to a decline in sales of nutritional supplements, while cough drops and drinks performed favorably
<b>Other</b>	Sales increased while profits decreased year on year	Sales increased in the apparel business and aviation-related business

# The First Half of Fiscal 2023 Cosmetics

	1st half ended March 31, 2023	1st half ended March 31, 2022	Year-on-year change	
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	<b>24,091</b>	23,743	348	1.5
Segment income	<b>6,174</b>	5,435	738	13.6



Composition of net sales in the first half of fiscal 2023

## Face-to-face channel cosmetics

- *Noevir HUKKULA Serum*, a new collagen serum product, contributed to sales
- Sales of skincare products declined, while makeup products recovered



*Noevir  
HUKKULA Serum*

## Self-selection cosmetics

- Skincare brand *Nameraka Honpo* and makeup brands *Pore Putty* and *New Born* performed briskly
- Sales of *excel* and *NOV* brands decreased



*Nameraka Honpo*  
skincare brand

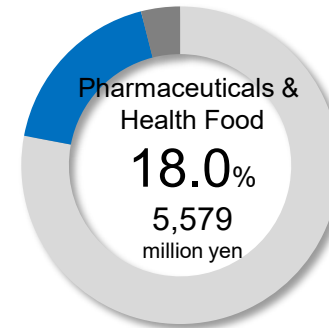
## Overseas and OEM business sales

- Sales increased both overseas and in OEM

# The First Half of Fiscal 2023 Pharmaceuticals & Health Food

	1st half ended March 31, 2023	1st half ended March 31, 2022	Year-on-year change	
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	<b>5,579</b>	5,450	129	2.4
Segment income	<b>542</b>	766	(224)	(29.3)

- Sales increased as cough drops and drinks performed strongly
- Profits decreased mainly due to a decline in sales of nutritional supplements
- New product *L. lactis strain Plasma OISHII AOJIRU* (Foods with Function Claims) contributed to sales



Composition of net sales in the first half of fiscal 2023



Nanten Noda Ame cough drop brand

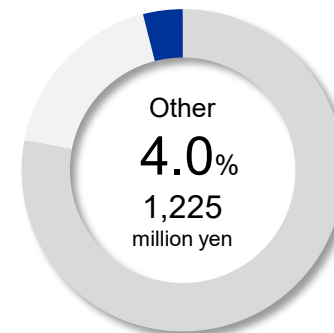


Min Min Da Ha functional drink brand lineup

# The First Half of Fiscal 2023 Other

	1st half ended March 31, 2023	1st half ended March 31, 2022	Year-on-year change	
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	<b>1,225</b>	967	257	26.6
Segment income	<b>164</b>	166	(2)	(1.2)

- Sales increased in the apparel business and aviation-related business



Composition of net sales in the first half of fiscal 2023



*L. lactis strain Plasma OISHII AOJIRU*  
(Foods with Function Claims)

# The First Half of Fiscal 2023 Balance Sheets

(Millions of yen)

	Previous year (As of March 31, 2022)	As of March 31, 2023	Change
Current assets	46,441	<b>47,125</b>	683
Cash and cash equivalents	27,295	<b>26,595</b>	(700)
Notes and accounts receivable	9,040	<b>9,606</b>	565
Non-current assets	27,913	<b>26,939</b>	(974)
Property, plant and equipment	21,586	<b>20,552</b>	(1,034)
Intangible assets	444	<b>723</b>	279
Investments and other assets	5,882	<b>5,663</b>	(219)
Investment securities	2,397	<b>2,808</b>	410
<b>Total assets</b>	<b>74,354</b>	<b>74,064</b>	(290)
Current liabilities	10,450	<b>11,287</b>	837
Long-term liabilities	16,176	<b>14,688</b>	(1,488)
Guarantee deposits received	12,205	<b>11,799</b>	(405)
<b>Total liabilities</b>	<b>26,626</b>	<b>25,975</b>	(651)
Shareholders' equity	45,692	<b>45,628</b>	(64)
Common stock	7,319	<b>7,319</b>	-
Retained earnings	38,375	<b>38,311</b>	(64)
<b>Total net assets</b>	<b>47,728</b>	<b>48,088</b>	360
<b>Total liabilities and net assets</b>	<b>74,354</b>	<b>74,064</b>	(290)
<b>Equity ratio</b>	<b>63.7%</b>	<b>64.4%</b>	0.7pt

## Points of B/S

### ➤ Balance of net cash and deposits

Cash and cash equivalents  
– Guarantee deposits received

**= 14.7 billion yen**

(-300 million yen year on year)

### ➤ Equity ratio **64.4%**

(+0.7pt year on year)

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# Medium-term Management Plan

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

<b>Medium-term Management Plan Concept</b>	<b>Realizing steady corporate growth by securing sustainability in every Group business segment</b>
<b>Five Policies</b>	<ol style="list-style-type: none"><li>1. Pursue innovation and continuous profit generation in the domestic market</li><li>2. Enhance our brand value</li><li>3. Accelerate efforts to diversify human resources and our corporate structure</li><li>4. Strengthen our competitiveness by stepping up the diversification of our R&amp;D, production and logistics systems</li><li>5. Promote a management approach that is responsive to changes in the business environment</li></ol>
<b>Consolidated Earnings Forecasts for Fiscal 2023</b>	<b>Net sales ¥61.6 billion    Operating income ¥10.7 billion</b>

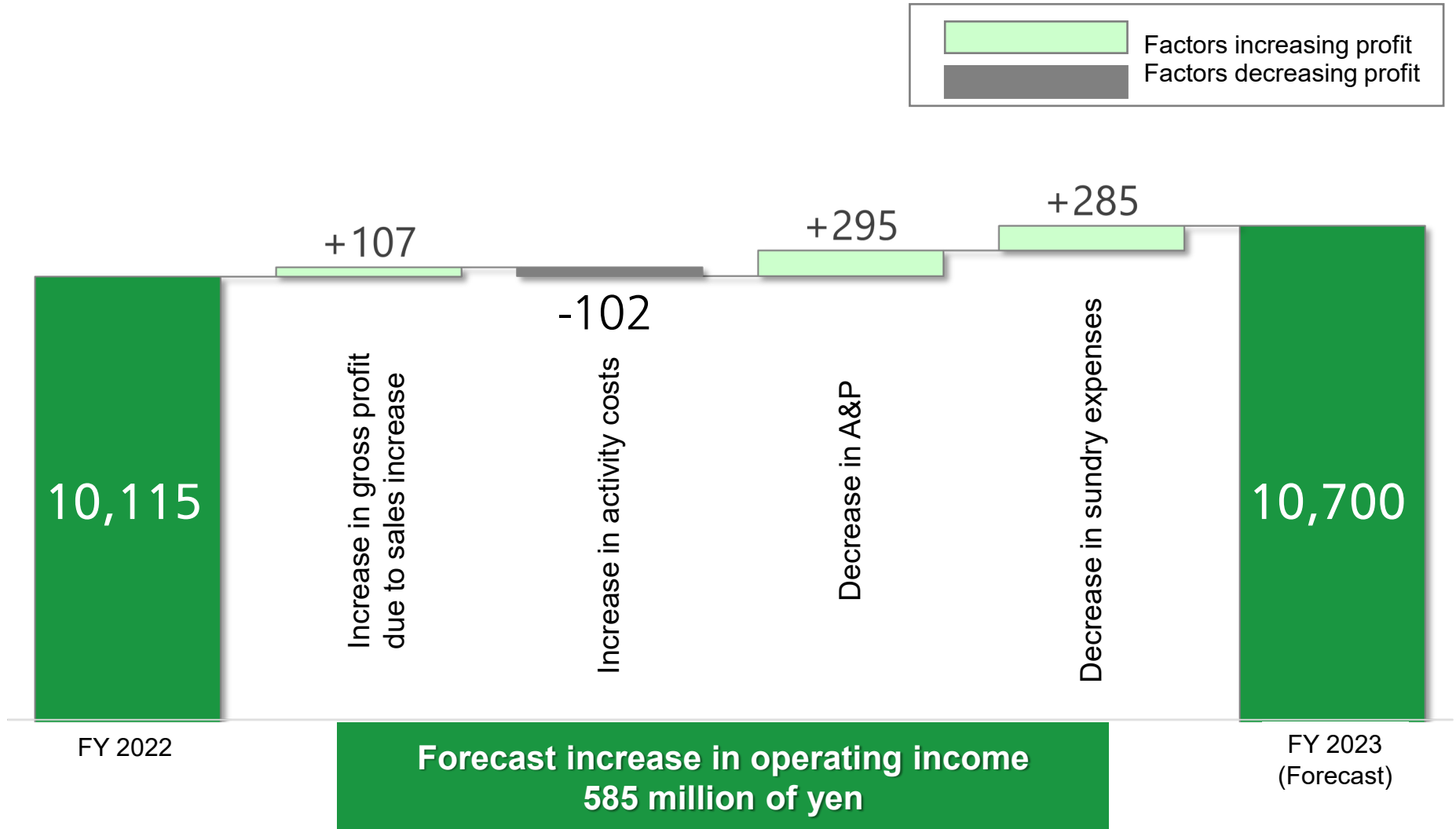
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# Fiscal 2023 Forecasts

	Net Sales Millions of yen	Operating Income Millions of yen	Ordinary Income Millions of yen	Net Income Attributable to Owners of the Parent Millions of yen
1st Half Results	30,896	5,750	5,809	2,672
<b>2nd Half Forecasts</b>	<b>30,703</b>	<b>4,949</b>	<b>5,090</b>	<b>5,027</b>
Full Year Forecasts (A)	61,600	10,700	10,900	7,700
Fiscal 2022 Results (B)	61,143	10,115	10,406	7,589
Difference (A-B)	456	584	493	110
Change	0.7%	5.8%	4.7%	1.5%
<b>2nd Half Forecast (C)</b>	<b>30,703</b>	<b>4,949</b>	<b>5,090</b>	<b>5,027</b>
Fiscal 2022 2nd Half Results (D)	30,981	4,885	5,078	4,607
Difference (C-D)	(278)	64	12	420
Change	(0.9%)	1.3%	0.2%	9.1%

(Millions of yen)



## Strive for improved profitability as a core business

Face-to-face  
channel  
cosmetics

Strengthen face-to-face sales capabilities  
Return to in-person selling

Self-selection  
cosmetics

Present products timely with an understanding  
of customers' needs

## Face-to-face channel cosmetics

Strengthen face-to-face sales capabilities  
Return to in-person selling

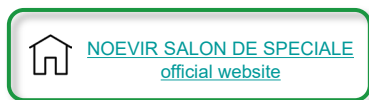
### NOEVIR Beauty Studio salons

- Roll out to about 2,000 stores in regions nationwide



### Directly managed NOEVIR SALON DE SPECIALE salons

- Roll out 10 stores nationwide



## Face-to-face channel cosmetics

*Noevir*  
Sell and focus on sales expansion of new products

# NOEVIR



**Noevir Dewdrop Glow Serum** (serum)  
45 mL 19,800 yen (tax inclusive)  
Newly launched in May 2023



**Noevir Tokara Sea Mineral Series**  
(shampoo, conditioner, body soap, deep conditioner)  
1,760-3,300 yen (tax inclusive)  
Relaunch in June 2023



## Self-selection cosmetics

*Nameraka Honpo* skincare brand  
Acquire a wide array of customers and further expand earnings

Newly launched the Power Up and Brightening Type versions of the popular Micro Lotion Mist from *Nameraka Honpo*, the No.1 brand in the soymilk-based skincare product market.



*Nameraka Honpo Mist Skin Lotion NC*  
*Nameraka Honpo Brightening Mist Skin Lotion* (quasi-drug)  
Launched in February 2023



Moisture skincare line



Brightening skincare line



Aging Care skincare line



Haritsuya skincare line

## Self-selection cosmetics

New brands

Developing and nurturing new skincare brands that capture market needs

### WRINKLE TURN



Medicated aging skincare product that helps to both smooth wrinkles and treat skin spots

WRINKLE TURN Repair Concentrate Balm (quasi-drug)  
5.5g 1,980 yen (tax inclusive)  
Newly launched in February 2023

### Vaserhythm



Non-sticky moisturizing skincare product containing highly refined petroleum jelly

Vaserhythm Moisture Lotion 200 mL 1,430 yen (tax inclusive)  
Vaserhythm Moisture Balm 90 g 1,430 yen (tax inclusive)  
Newly launched in March 2023

## Self-selection cosmetics

**excel/ brand**  
Sell and focus on sales expansion of attractive new products

**excel**  
TOKYO RICH CASUAL by NOEVIR



\*The images are for illustrative purposes only.



**excel real clothes shadow** Relunched in April 2023 with total 6 colors



**excel seamless tone blush** Newly launched in March 2023 with total 4 colors



## Self-selection cosmetics

NOV brand  
Focus on Expanding Sales of Mainstay Series



*NOV is a skincare line based on clinical dermatology studies for those who have dry, sensitive or acne-prone skin.*



Image: Examination at medical institutions (dermatologists, etc.)



**AC ACTIVE skincare line**  
(Function-focused proactive skincare for adult acne)



**III skincare line**  
(Skincare for those concerned about sensitive and dry skin)



**L&W skincare line**  
(Highly moisturizing aging care for sensitive skin)



**Body moisturizers**  
Launched Skin Milk Lotion and Hand Cream in November 2022.

- Launch distinctive new products centered on functional and nutritional drinks and increase profitability by strengthening cost control
- Strengthen orders for private brands, OEM

**Pharmaceuticals**

- Focus on sales expansion
  - *Nanten Nodo Ame* cough drop
  - Nutrient tonic drinks

南天のと飴



Nanten Nodo Ame cough drop brand

**Health Food**

- Focus on expanding
  - *Min Min Da Ha* functional drink brand
  - Nutritional supplements  
(Including Foods with Functional Claims)

眠眠打破



Min Min Da Ha functional drink brand lineup



L. lactis strain Plasma OISHII AOJIRU (Foods with Function Claims)



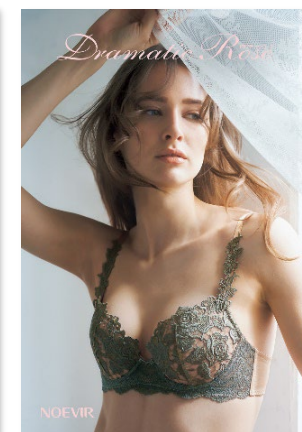
Noevir ACTIVE SHAPE (Foods with Function Claims)

➤ Improve Profitability

Apparel business

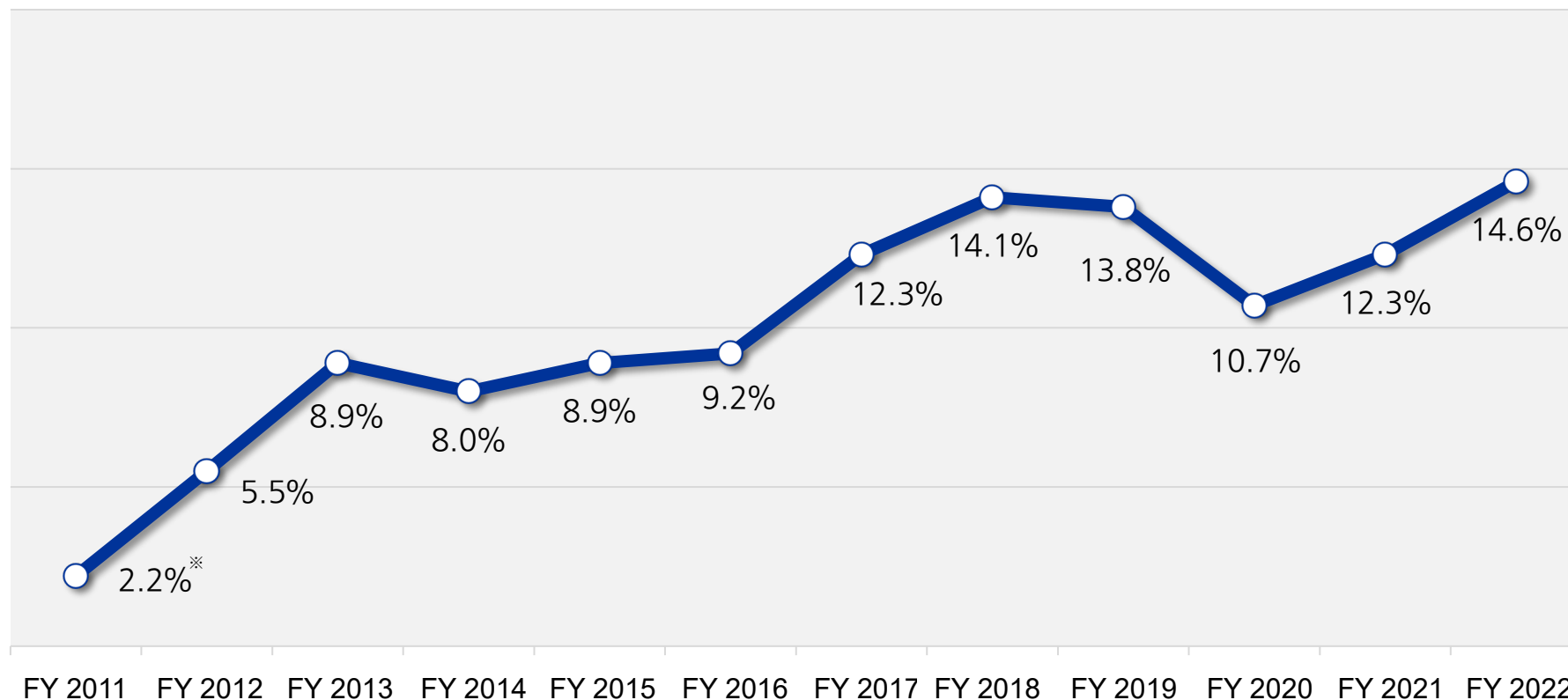
Launch new products

NOEVIR



Aviation-related  
business

Continue responding  
carefully

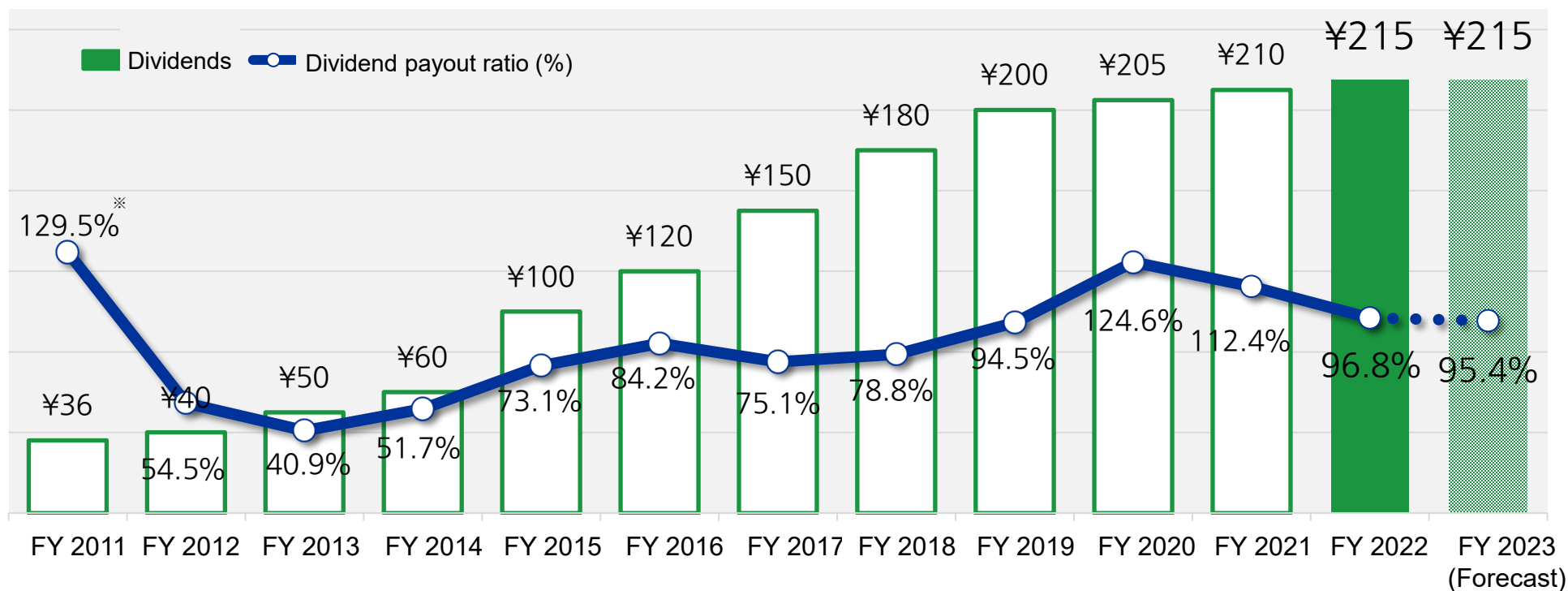


Enhancing profitability through efficient management

\* ROE for fiscal 2011 was calculated from the sum of net income attributable to owners of the parent of Noevir Co., Ltd. for 1H fiscal 2011 and Noevir Holdings Co., Ltd. for fiscal 2011.

# Dividend and Dividend Payout Ratio

Increased dividends for 11 consecutive periods



Continue stable shareholder return by maximizing corporate value and enhancing profitability

\* Dividend payout ratio for Fiscal 2011 was calculated from the sum of net income attributable to owners of the parent of Noevir Co, Ltd. for Q2 Fiscal 2011 and Noevir Holdings Co., Ltd. for Fiscal 2011.



**NOEVIR HOLDINGS**

[Inquiries] Noevir Holdings Co., Ltd. Public & Investor Relations Tel: +81-03-5568-0305 Fax: +81-03-5568-0441  
E-mail: [ir@noevirholdings.co.jp](mailto:ir@noevirholdings.co.jp) WEB: <https://www.noevirholdings.co.jp/english/index.htm>

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