

# NOEVIR HOLDINGS

Noevir Holdings Co., Ltd. Public & Investor Relations  
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February 10, 2012

## Noevir Holdings Announces 2012 First Quarter Consolidated Results (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.  
Listing: Tokyo Stock Exchange, Second Section (Code Number: 4928)  
URL: <http://www.noevirholdings.co.jp/>  
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Submission of Quarterly Business Report: February 14, 2012  
Date of commencement of dividend payments: –  
Supplemental materials for the financial results provided: None  
Results briefing for the reporting period provided: None

### 1. Operating results for the first quarter of the fiscal year ending September 30, 2012 (October 1, 2011 – December 31, 2011)

\* Amounts under one million yen have been rounded down.

#### (1) Consolidated operating results

(Millions of yen; percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income	
First quarter ended December 31, 2011	13,078	—%	1,897	—%	1,971	—%
First quarter ended June 21, 2011	13,136	—%	1,752	—%	1,765	—%

Note: Comprehensive income:

First quarter ended December 31, 2011: 758 million yen (—%)

First quarter ended June 21, 2011: 976 million yen (—%)

	Net income		EPS (Yen)	Diluted EPS (Yen)
First quarter ended December 31, 2011	754	—%	19.04	—
First quarter ended June 21, 2011	961	—%	23.27	—

Note: Due to the establishment of a holding company on March 22, 2011, the previous fiscal year ended September 30, 2011 (March 22, 2011 – September 30, 2011) was an irregular six-month accounting period.

As a result, because the first quarter of the fiscal year ending September 30, 2012 (October 1, 2011 – December 31, 2011) differs in terms of length and season when compared to the first quarter of the fiscal year ended September 30, 2011 (March 22, 2011 – June 21, 2011), the year-on-year percentage change from the corresponding period of the previous fiscal year is not included.

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
First quarter ended December 31, 2011	81,771	47,600	58.2%
Year ended September 30, 2011	87,427	51,595	59.0%

[Reference] Equity

First quarter ended December 31, 2011: 47,564 million yen

Year ended September 30, 2011: 51,571 million yen

## 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2011	—	—	—	36.00	36.00
Year ending September 30, 2012	—				
Year ending September 30, 2012 (forecast)		0.00	—	36.00	36.00

Note: Revisions from the most recently announced dividend forecast: None

## 3. Consolidated earnings forecasts for the fiscal year ending September 30, 2012 (October 1, 2011 – September 30, 2012)

(Millions of yen; percentage figures denote year-on-year change)

	Net Sales	Operating income	Ordinary income	Net income	EPS (Yen)
Half year	24,600 — %	1,500 — %	1,600 — %	800 — %	19.36
Full year	49,500 — %	3,400 — %	3,700 — %	2,000 — %	48.40

Note: Revisions from the most recently announced consolidated earnings forecast: None

Due to the establishment of a holding company on March 22, 2011, the previous fiscal year ended September 30, 2011 (March 22, 2011 – September 30, 2011) was an irregular six-month accounting period.

As a result, because the fiscal year ending September 30, 2012 (October 1, 2011 – September 30, 2012) differs in terms of length when compared to the fiscal year ended September 30, 2011 (March 22, 2011 – September 30, 2011), the year-on-year percentage change for the half year and full year in the consolidated earnings forecasts is not included.

## 4. Other

(1) Significant changes in subsidiaries (scope of consolidation) during period: None

(2) Special accounting treatment for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, restatements, etc.

1) Changes in accounting policies associated with revisions in accounting standards: None

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Shares outstanding (common stock)

1) Shares outstanding (including treasury stock)

First quarter ended December 31, 2011: 37,442,840

Year ended September 30, 2011: 41,322,860

2) Treasury shares outstanding

First quarter ended December 31, 2011: 39

Year ended September 30, 2011: 20

3) Average shares outstanding over quarter (cumulative; consolidated)

First quarter ended December 31, 2011: 39,635,864

First quarter ended June 21, 2011: 41,322,857

\* Explanation regarding review procedures in preparing quarterly financial statements

Preparation of this quarterly financial statement is not subject to the provisions set forth in the Japanese Financial Instruments and Exchange Act. Accordingly, review procedures for table material under the Act have not been completed.

\* Explanation regarding the appropriate use of business performance forecasts

Forward-looking statements included in these materials, such as forecasts of business performance, are based on information known to the Company's management as of the time of writing, and reflect judgments believed to be reasonable on the basis of that information. There is, therefore, a possibility that actual business performance figures will differ substantially from our forecasts as a result of changes in the economic situation and other unforeseeable

factors.

For the conditions that form the basis of the assumptions of the business forecast and cautionary notes regarding the use of the forecast, please refer to “(3) Qualitative information regarding consolidated business performance forecast” under “1. Qualitative information regarding quarterly consolidated business performance” on page 3 of “Attached Material.”

## Contents of the Attached Material

1. Qualitative information regarding quarterly consolidated business performance.....	5
(1) Qualitative information regarding consolidated business performance.....	5
(2) Qualitative information regarding consolidated financial position.....	6
(3) Qualitative information regarding consolidated business performance forecast.....	6
2. Summary information (Other) .....	6
(1) Significant changes in subsidiaries during period.....	6
(2) Special accounting treatment for preparation of quarterly consolidated financial statements.....	6
(3) Changes in accounting policies, accounting estimates, restatements, etc.....	6
3. Quarterly consolidated financial statements.....	7
(1) Quarterly consolidated balance sheets.....	7
(2) Quarterly consolidated statements of income and comprehensive income.....	9
(3) Quarterly consolidated statements of cash flows.....	11
(4) Note on assumptions for going concern.....	12
(5) Additional Information.....	12
(6) Segment information.....	12
(7) Note on significant changes in the amount of shareholders' equity.....	13

1. Qualitative information regarding quarterly consolidated business performance

(1) Qualitative information regarding consolidated business performance

Consolidated operating results for the reporting first quarter (October 1, 2011 to December 31, 2011)

(Millions of yen)

	<b>First quarter ended December 31, 2011</b>	
	Sales	% of total sales
Cosmetics	<b>9,571</b>	<b>73.2</b>
Pharmaceuticals & Health Food	<b>3,354</b>	<b>25.6</b>
Other	<b>152</b>	<b>1.2</b>
Total sales	<b>13,078</b>	<b>100.0</b>

	<b>First quarter ended December 31, 2011</b>	
	Amount	% of total sales
Operating income	<b>1,897</b>	<b>14.5</b>
Ordinary income	<b>1,971</b>	<b>15.1</b>
Net income	<b>754</b>	<b>5.8</b>

In the first three months (October 1, 2011 to December 31, 2011) of fiscal 2012, the Japanese economy showed signs of a modest recovery after a downturn in business activity and consumer spending in the aftermath of the Great East Japan Earthquake. Nevertheless, with deepening fears of an economic slowdown due to the sharply appreciating yen and the European economic crisis, the future is shrouded in uncertainty.

The cosmetics business, the Group's main area of business, continued to experience harsh business conditions due to continued consumer preference for lower-priced products, despite getting back on a moderate recovery track.

Under these circumstances, net sales for the three-month period ended December 31, 2011 amounted to 13,078 million yen, operating income was 1,897 million yen, and ordinary income came to 1,971 million yen. Net income was 754 million yen as a result of an increase in income taxes – deferred owing to the reversal of deferred tax assets due to a tax system revision.

In the Cosmetics segment, Noevir Co., Ltd. is speeding up its opening of Noevir Beauty Studios (total beauty care salons used for skin care and makeup classes) that handle its line of cosmetics sold through individual consultation. In its self-selection cosmetic range, the Company took steps to increase consumer recognition of mainstay brands through more TV commercials and in-store promotions. As a result, sales in the Cosmetics segment totaled 9,571 million yen.

In the Pharmaceuticals & Health Food segment, sales of new nutritional supplements were strong. As a result, sales in this segment came to 3,354 million yen.

In the Other segment, with the aviation-related business affected by the economic slowdown, sales came in at 152 million yen.

Sales and income from cosmetics sold through individual consultation tend to be higher in the three-month period from October 1 to December 31. This is primarily attributable to the "Skincare Cosmetics Fair," held by the Company twice a year during summer and winter over a period of two months.

(Reference)

	Noevir Co., Ltd. (consolidated) Three months ended December 20, 2010	
	Amount (Millions of yen)	% of total sales
Net sales	13,131	100.0
Operating income	1,413	10.8
Ordinary income	1,509	11.5
Net income	743	5.7

(Regarding reference information)

Noevir Holdings Co., Ltd. was established on March 22, 2011 as a holding company through the sole transfer of shares of Noevir Co., Ltd. Accordingly, the year-on-year percentage change is not included.

On this basis, financial data for the first quarter (September 21 to December 20, 2010) of the fiscal year ended September 20, 2011 of Noevir Co., Ltd., a period equivalent to that of the first quarter under review has been provided for comparative purposes with the corresponding period of the previous fiscal year.

(2) Qualitative information regarding consolidated financial position

Total assets as of December 31, 2011 stood at 81,771 million yen, a decrease of 5,656 million yen over the previous fiscal year-end. This was due to decreases in cash and cash equivalents of 4,923 million yen and merchandise and finished goods of 755 million yen.

Liabilities came to 34,171 million yen, a decrease of 1,661 million yen, owing mainly to a 1,060 million yen decrease in current liabilities (Other) and a 275 million yen decrease in guarantee deposits received.

Net assets came to 47,600 million yen, a decrease of 3,994 million yen over the previous fiscal year-end. This was primarily attributable to a 3,325 million yen decline in additional paid-in capital resulting from the retirement of treasury stock. As a result, the equity ratio was 58.2%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter "cash") on a consolidated basis for the period under review stood at 31,228 million yen, a decrease of 4,920 million yen compared with the 36,148 million yen at the previous fiscal year-end.

The status of each cash flow together with the factors contributing to an increase or decrease for the three months ended December 31, 2011 are presented as follows

(Cash flows from operating activities)

Net cash used in operating activities amounted to 316 million yen. There was a 1,663 million yen increase in cash flow before the payment of income taxes and withholding taxes. This was offset by the payment of 1,979 million yen for incomes taxes and withholding taxes.

(Cash flows from investing activities)

Net cash used in investing activities came to 67 million yen. The principal cash outflow was 65 million yen due to the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was 4,624 million yen. The primary components were 3,325 million yen for the purchase of treasury stock and cash dividends paid of 1,299 million yen.

(3) Qualitative information regarding consolidated business performance forecast

The consolidated business performance forecast for the first half and the full year ending September 30, 2012 announced on November 9, 2011 remains unchanged.

2. Summary information (Other)

(1) Significant changes in subsidiaries during period

Not applicable

(2) Special accounting treatment for preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates, restatements, etc.

Not applicable

3. Quarterly consolidated financial statements  
(1) Quarterly consolidated balance sheets

(Thousands of yen)

	Year ended September 30, 2011	First quarter ended December 31, 2011
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	38,674,720	<b>33,751,599</b>
Notes and accounts receivable	10,579,759	<b>11,810,761</b>
Merchandise and finished goods	6,202,007	<b>5,446,338</b>
Work in progress	300,999	<b>137,223</b>
Raw materials and purchased supplies	1,446,797	<b>1,316,297</b>
Deferred tax assets	1,524,090	<b>1,485,184</b>
Other receivables	2,698,721	<b>2,567,574</b>
Other	405,175	<b>419,727</b>
Allowance for doubtful accounts	(76,378)	<b>(70,812)</b>
Total current assets	61,755,894	<b>56,863,896</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	5,666,478	<b>5,329,692</b>
Equipment and vehicles, net	877,414	<b>1,144,945</b>
Land	13,881,827	<b>13,787,327</b>
Lease assets, net	24,490	<b>36,655</b>
Construction in progress	1,384	<b>-</b>
Other, net	332,757	<b>297,760</b>
Total property, plant and equipment	20,784,352	<b>20,596,380</b>
Intangible assets		
Goodwill	1,012	<b>485</b>
Software	888,107	<b>749,158</b>
Other	97,511	<b>94,664</b>
Total intangible assets	986,631	<b>844,307</b>
Investments and other assets		
Investment securities	426,532	<b>391,905</b>
Deferred tax assets	2,368,259	<b>2,009,071</b>
Other	1,252,446	<b>1,166,785</b>
Allowance for doubtful accounts	(146,841)	<b>(101,098)</b>
Total investments and other assets	3,900,397	<b>3,466,663</b>
Total non-current assets	25,671,381	<b>24,907,351</b>
<b>Total assets</b>	<b>87,427,276</b>	<b>81,771,247</b>

(Thousands of yen)

	Year ended September 30, 2011	First quarter ended December 31, 2011
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	4,339,797	4,379,580
Lease obligations	7,238	10,177
Other accounts payable	3,280,105	3,028,395
Income tax payable	781,103	926,167
Reserve for bonuses	329,611	314,506
Reserve for product returns	1,033,114	1,020,015
Other	2,167,964	1,107,664
Total current liabilities	11,938,935	10,786,506
<b>Long-term liabilities</b>		
Lease obligations	18,449	28,312
Guarantee deposits received	18,446,472	18,170,876
Reserve for employees' retirement benefits	5,193,496	4,999,950
Other	234,697	185,359
Total long-term liabilities	23,893,116	23,384,499
<b>Total liabilities</b>	35,832,051	34,171,006
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319,000	7,319,000
Additional paid-in capital	6,809,798	3,484,620
Retained earnings	37,944,986	37,339,052
Treasury stock	(17)	(33)
Total shareholders' equity	52,073,767	48,142,639
Accumulated other comprehensive income		
Net unrealized gain (loss) on other securities	18,362	(2,509)
Foreign currency translation adjustments	(520,373)	(575,318)
Accumulated other comprehensive income	(502,010)	(577,828)
Minority interests	23,468	35,430
<b>Total net assets</b>	51,595,224	47,600,241
<b>Total liabilities and net assets</b>	87,427,276	81,771,247



(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income

(Thousands of yen)

	First quarter ended June 21, 2011	First quarter ended December 31, 2011
<b>Net sales</b>	13,136,031	<b>13,078,221</b>
<b>Cost of sales</b>	4,481,196	<b>4,482,444</b>
Gross profit	8,654,834	<b>8,595,776</b>
<b>Selling, general and administrative expenses</b>	6,901,891	<b>6,698,638</b>
Operating income	1,752,943	<b>1,897,138</b>
<b>Non-operating income</b>		
Interest income	5,202	<b>3,222</b>
Dividend income	259	<b>4,583</b>
Lease income	13,619	<b>18,840</b>
Gain on currency translation	—	<b>2,788</b>
Other	35,092	<b>49,970</b>
Total	54,173	<b>79,405</b>
<b>Non-operating expenses</b>		
Loss on currency translation	7,319	—
Amortization of inaugural expenses	32,971	—
Commitment fee	429	<b>3,024</b>
Other	1,372	<b>1,744</b>
Total	42,093	<b>4,769</b>
Ordinary income	1,765,023	<b>1,971,775</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	—	<b>67</b>
Gain on sale of investment securities	4,700	—
Reversal of allowance for doubtful accounts	48,505	—
Adjustment to the loss on disaster	13,389	—
Total	66,595	<b>67</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	5,546	<b>14,254</b>
Impairment loss	—	<b>45,901</b>
Loss on valuation of investment securities	171	—
Total	5,717	<b>60,156</b>
<b>Income before income taxes</b>	1,825,901	<b>1,911,686</b>
<b>Income taxes – basic</b>	880,678	<b>786,619</b>
<b>Income taxes – deferred</b>	(18,051)	<b>366,374</b>
<b>Total</b>	862,627	<b>1,152,993</b>
<b>Income before minority interests</b>	963,274	<b>758,693</b>
<b>Minority interests</b>	1,593	<b>4,028</b>
<b>Net income</b>	961,681	<b>754,664</b>

Quarterly consolidated statements of comprehensive income

(Thousands of yen)

	First quarter ended June 21, 2011	First quarter ended December 31, 2011
Income before minority interests	963,274	<b>758,693</b>
Other comprehensive income		
Valuation adjustment	(11,542)	<b>(19,927)</b>
Foreign currency translation	25,214	<b>19,366</b>
Total	13,672	<b>(560)</b>
Comprehensive income	976,946	<b>758,132</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	974,782	<b>753,405</b>
Comprehensive income attributable to minority interests	2,164	<b>4,727</b>

## (3) Quarterly consolidated statements of cash flows

(Thousands of yen)

	First quarter ended June 21, 2011	First quarter ended December 31, 2011
<b>Cash flows from operating activities</b>		
Income before income taxes	1,825,901	1,911,686
Depreciation	451,800	439,769
Impairment loss	—	45,901
Amortization of goodwill	885	324
Increase (decrease) in reserve for doubtful accounts	(67,857)	(5,983)
Increase (decrease) in reserve for bonuses	(193,203)	129,022
Increase (decrease) in reserve for product returns	(6,314)	(22,898)
Increase (decrease) in reserve for retirement benefits	5,911	(139,194)
Interest and dividends received	(5,461)	(7,805)
Gain/loss on currency translation	1,145	(3,217)
Gain/loss on marketable and investment securities	(4,700)	—
Gain/loss on valuation of marketable and investment securities	171	—
Gain/loss on sales of property, plant and equipment	5,546	14,187
Adjustment to the loss on disaster	(13,389)	—
Decrease (increase) in trade receivables	739,544	(642,047)
Decrease (increase) in inventories	222,311	838,570
Increase (decrease) in trade payables	145,173	(73,227)
Increase (decrease) in guarantee deposits	(233,300)	(243,670)
Other	(832,775)	(592,648)
Subtotal	2,041,389	1,648,768
Interest and dividends received	10,581	14,826
Income tax paid	(276,181)	(679,772)
Withholding tax paid	—	(1,300,000)
Net cash provided by (used in) operating activities	1,775,788	(316,177)
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(2,501,189)	(23,277)
Proceeds from withdrawal of time deposits	2,500,000	24,330
Purchase of investment securities	(811)	(559)
Proceeds from sale of investment securities	13,400	—
Purchase of property, plant and equipment	(79,368)	(65,020)
Proceeds from sale of property, plant and equipment	6,925	54
Purchase of intangible assets	(770)	(2,870)
Proceeds from collection of long-term loans	96	—
Net cash provided by (used in) investing activities	(61,718)	(67,342)
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	(17)	(3,325,193)
Cash dividends paid	(1,959)	(1,299,544)
Net cash provided by (used in) financing activities	(1,977)	(4,624,738)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	8,274	10,772
<b>Net change in cash and cash equivalents</b>	1,720,368	(4,997,485)
<b>Cash and cash equivalents, beginning of year</b>	33,529,877	36,148,890
Net change in cash and cash equivalents due to change in accounting period of consolidated subsidiaries	—	76,916
<b>Cash and cash equivalents, end of year</b>	35,250,246	31,228,321

(4) Note on assumptions for going concern  
Not applicable

(5) Additional information

(Application of accounting standard for accounting changes and error corrections)

Since the beginning of the first quarter of the fiscal year under review, the Company has applied Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, issued on December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, issued on December 4, 2009).

(Effects from changes in income tax rate)

The “Law that partially revises the income tax rate to create a tax system that addresses changes in the socioeconomic structure” (Law No. 114, 2011) and “Act on special measures for securing necessary financial resources to implement measures for reconstruction after the Great East Japan Earthquake” (Law No. 117, 2011) were issued on December 2, 2011 and the income tax will be lowered and a special reconstruction tax will be imposed from the consolidated fiscal year that begins from April 1, 2012. Therefore, the effective statutory tax rate used to calculate deferred tax assets and liabilities will change from the existing 40.6% to 37.9% for temporary differences, which are expected to be eliminated in the fiscal year beginning from October 1, 2012, through the fiscal year beginning from October 1, 2014), and then to 35.5% for temporary differences, which are expected to be eliminated in the consolidated fiscal year beginning from October 1, 2015. As a result of these tax rate changes, deferred tax assets (the amount remaining after deducting deferred tax liabilities) decreased by 296,539 thousand yen and income tax – deferred increased by 296,388 thousand yen.

(Matters concerning the accounting years of consolidated subsidiaries)

The previous account closing date of September 20 for our three domestic consolidated subsidiaries (Noevir Co., Ltd., Bonanza Co., Ltd., and Noevir Aviation Co., Ltd.) and the account closing date of June 30 for our two domestic subsidiaries (Tokiwa Pharmaceutical Co., Ltd. and Tokiwa Medical Service Co., Ltd.) were changed to September 30 beginning from the current fiscal year.

In line with the change of Noevir Co., Ltd.’s account closing date to September 30, overseas consolidated subsidiaries that had used June 30 as the consolidated closing date of their financial statements began using September 30 as the account closing date of their financial statements starting from the current fiscal year.

As a result, the first quarter cumulative consolidated accounting period of the current fiscal year shall be the three-month period of the aforementioned consolidated subsidiaries, from October 1, 2011 to December 31, 2011.

In line with the change of the account closing date, gains and losses of the aforementioned consolidated subsidiaries during the 10-day period from September 21 to September 30, 2011 and during the three-month period from July 1 to September 30, 2011 shall be directly added to or subtracted from retained earnings. Changes in cash and cash equivalents during said period shall be presented as “Net change in cash and cash equivalents due to change in accounting period of consolidated subsidiaries” in the “Quarterly consolidated statements of cash flows.”

(6) Segment information

(Segment Information)

I Consolidated results for the first quarter of fiscal 2011 (March 22, 2011 to June 21, 2011)

Sales and income (loss) data, by reportable segment

	(Thousands of yen)					
	Cosmetics	Pharmaceuticals & Health Food	Other	Total	Adjustment (Note 1)	Amounts included in quarterly consolidated statements of income (Note 2)
Net Sales						
Sales, external	9,682,105	2,793,290	660,635	13,136,031	—	13,136,031
Intersegment sales	—	—	41,529	41,529	(41,529)	—
Total	9,682,105	2,793,290	702,165	13,177,561	(41,529)	13,136,031
Segment income (loss)	2,209,796	(109,911)	102,603	2,202,488	(449,545)	1,752,943

(Note 1) Intersegment eliminations totaling 39,153 thousand yen and unallocated corporate expenses totaling (488,699 thousand) yen have been included in the segment income (loss) adjusted amount totaling (449,545 thousand) yen. Corporate expenses refer to parent company administration costs which do not come under any reportable segments.

(Note 2) Segment income refers to operating income as reported in the quarterly consolidated statements of income, after adjustment.

## II Consolidated results for the first quarter of fiscal 2012 (October 1, 2011 to December 31, 2011)

### 1. Sales and income (loss) data, by reportable segment

(Thousands of yen)						
	Cosmetics	Pharmaceuticals & Health Food	Other	Total	Adjustment (Note 1)	Amounts included in quarterly consolidated statements of income (Note 2)
Net Sales						
Sales, external	9,571,510	3,354,657	152,053	13,078,221	—	13,078,221
Intersegment sales	—	—	37,809	37,809	(37,809)	—
Total	9,571,510	3,354,657	189,862	13,116,030	(37,809)	13,078,221
Segment income (loss)	2,295,502	(3,767)	(5,260)	2,286,474	(389,335)	1,897,138

(Note 1) Intersegment eliminations totaling 36,957 thousand yen and unallocated corporate expenses totaling (426,293 thousand) yen have been included in the segment income (loss) adjusted amount totaling (389,335 thousand) yen. Corporate expenses refer to parent company administration costs which do not come under any reportable segments.

(Note 2) Segment income refers to operating income as reported in the quarterly consolidated statements of income, after adjustment.

### 2. Impairment loss for non-current assets and goodwill, by reportable segment

(Major impairment loss for non-current assets)

As the termination of the lease agreement connected to the relocation of the Tokyo head office of Tokiwa Pharmaceutical Co., Ltd. is expected, an impairment loss of 45,901 thousand yen has been recorded for the Cosmetics and Pharmaceuticals & Health Food segments.

Further, the recorded amount of said impairment loss in the consolidated first quarter of the fiscal year ending September 30, 2012 was 32,829 thousand yen for the Cosmetics segment and 13,072 thousand yen for the Pharmaceuticals & Health Food segment.

### (7) Note on significant changes in the amount of shareholders' equity

At the Board of Director's meeting held on November 16, 2011, the Company decided to purchase and retire treasury stock. On November 17, 2011, the Company purchased 3,880,000 shares of treasury stock (3,325,160 thousand yen) and on November 28, 2011, it retired 3,880,020 shares of treasury stock (3,325,177 thousand yen).

As a result, additional paid-in capital decreased by 3,325,177 thousand yen during the consolidated first quarter cumulative.