

# Noevir Holdings Co., Ltd.

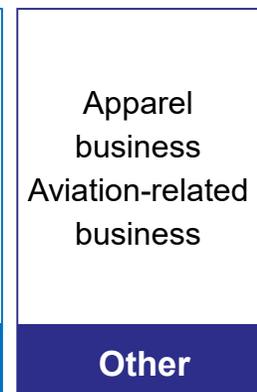
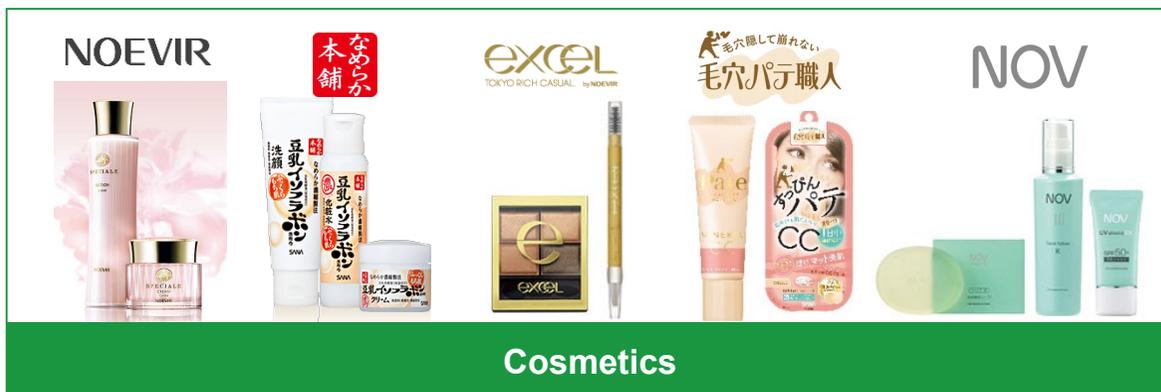
## Fiscal 2021

( October 1, 2020 – September 30, 2021 )

November 12, 2021  
Noevir Holdings Co., Ltd.  
Ikkou Yoshida,  
Managing Director, Administrative

# Company Overview

Noevir Holdings Co., Ltd.	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	1,453 (Consolidated) (As of September 30, 2021)
Number of shareholders	19,805 (As of September 30, 2021)
Outstanding Shares	34,156 thousand shares
Market Capitalization	¥192.643 billion (November 11, 2021 @ ¥5,640)
Line of Business	



# 1. Results for Fiscal 2021

2. Fiscal 2021 Segment-Based Highlights

3. Medium-term Management Plan

4. Forecasts and Initiatives for Fiscal 2022

**Sales decreased due to the impact of COVID-19, but secured increased profit through reduced cost ratio and SG&A**

	<b>Fiscal 2021</b>	<b>Year-on-year change</b>	<b>Planned company target (vs. forecast target)</b>
Net sales	51,200 million yen	(1.1%)	(2.3%)
Operating income	8,500 million yen	+6.2%	(4.9%)
Operating income margin	16.7%	+1.2pt	(0.4pt)

➤ Sales decreased mainly due to decreased sales of makeup lines, but sales of skincare lines increased

Operating income margin  
**16.7%**

First half exceeded the planned company target, but was lower year on year.

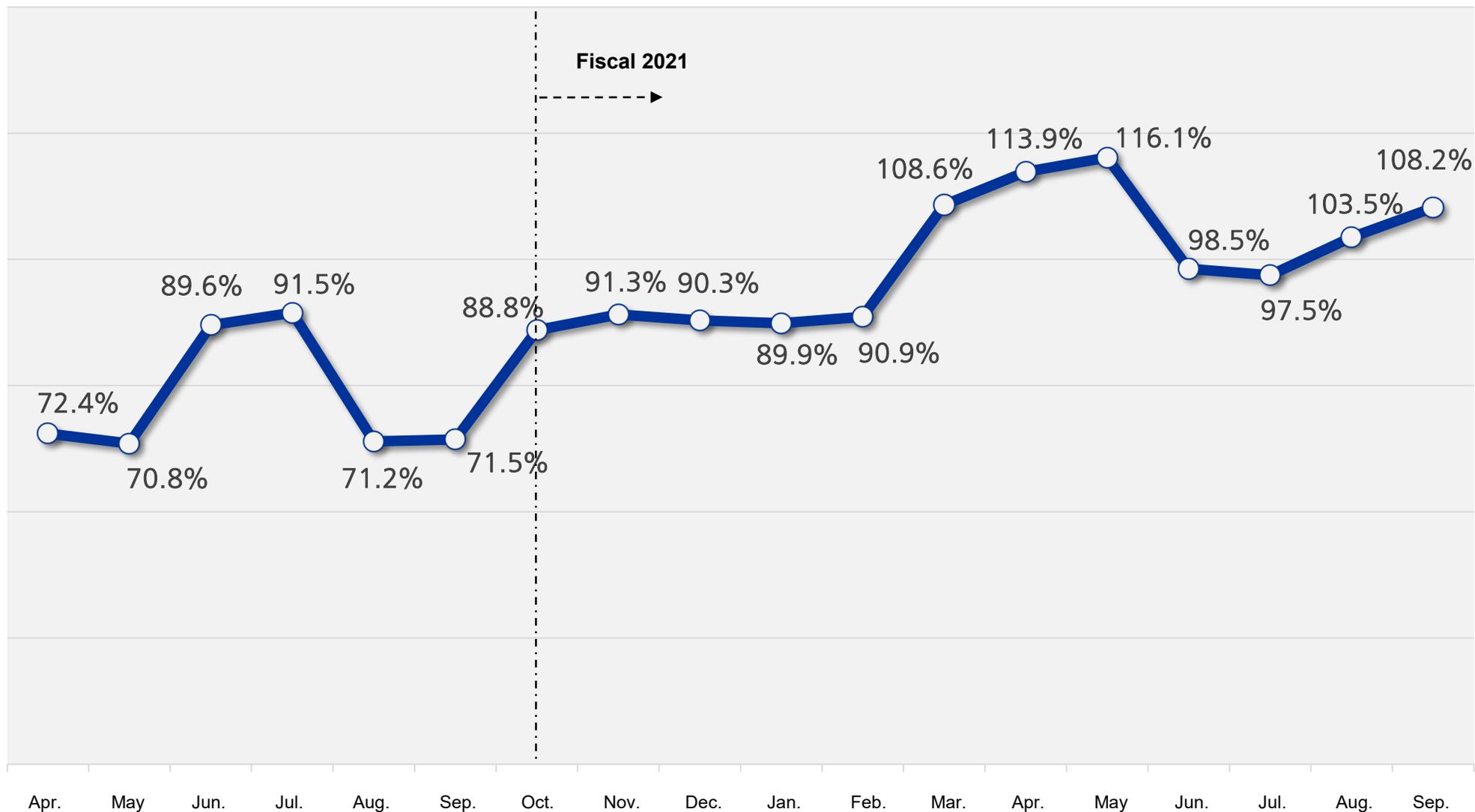
Second half fell short of the planned company target, but was higher year on year.

	Net Sales Millions of yen	Operating Income Millions of yen	Ordinary Income Millions of yen	Net Income Attributable to Owners of Parent Millions of yen	EPS Yen
<b>1st Half Forecast</b>	<b>25,500</b>	<b>4,000</b>	<b>4,100</b>	<b>1,900</b>	<b>55.63</b>
1st half results	25,860	4,529	4,626	2,004	58.67
Change	1.4%	13.2%	12.8%	5.5%	—
(FY 2020) 1st half results	27,789	5,068	5,135	2,398	70.22
Change	(6.9%)	(10.6%)	(9.9%)	(16.4%)	—
<b>2nd half Forecast</b>	<b>27,000</b>	<b>5,000</b>	<b>5,100</b>	<b>4,400</b>	<b>128.82</b>
2nd half results	25,412	4,028	4,346	4,379	128.21
Change	(5.9%)	(19.4%)	(14.8%)	(0.5%)	—
(FY 2020) 2nd half results	24,052	2,992	3,107	3,219	94.26
Change	5.7%	34.6%	39.8%	36.0%	—

## ➤ Impact of COVID-19

	FY 2021	FY 2020
1st half	Yes	No
2nd half	Yes	Yes

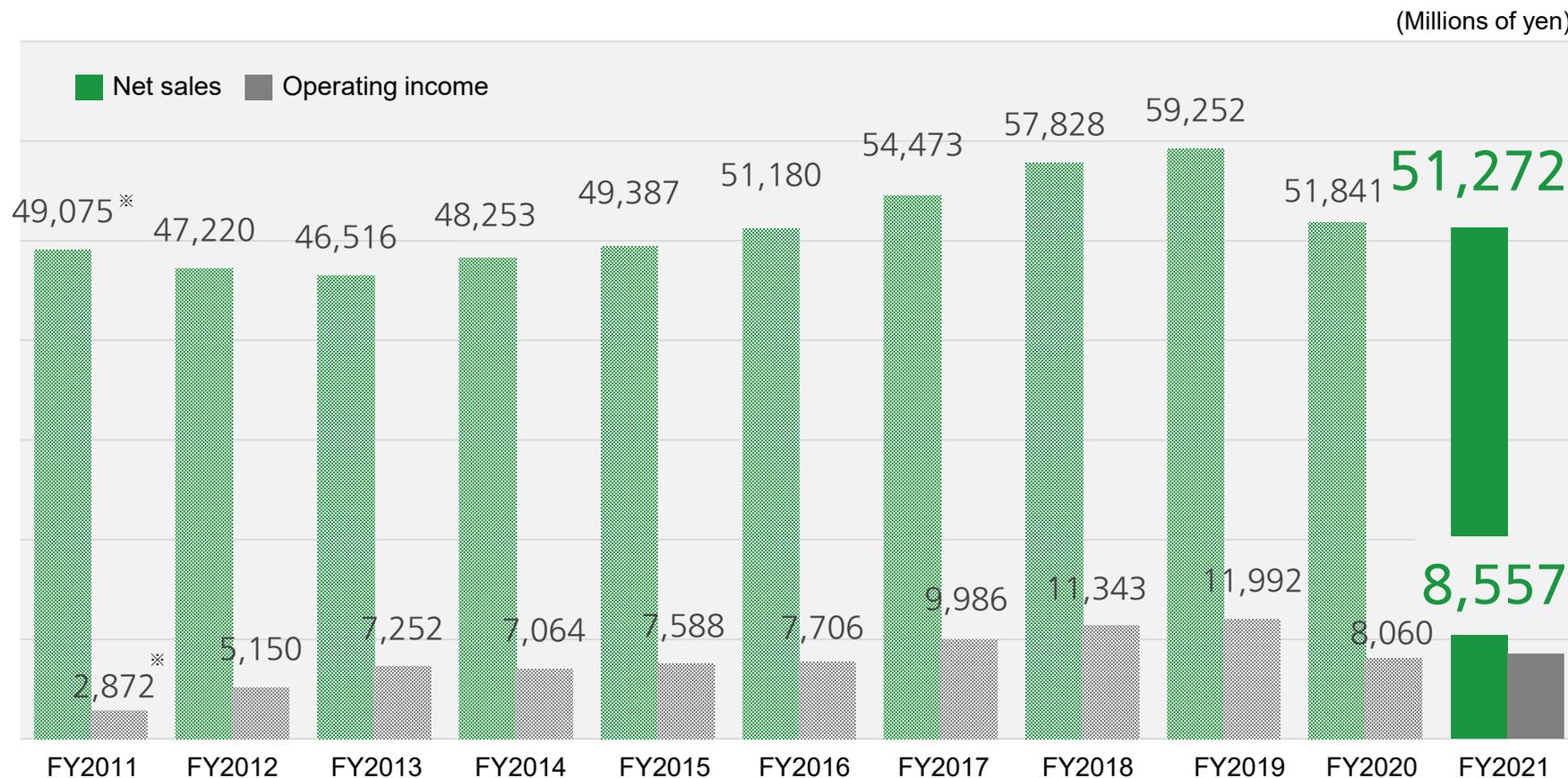
# Monthly Net Sales in the Cosmetics Segment Year on Year



Net sales 51,272 million yen (down 1.1% YoY), operating income 8,557 million yen (up 6.2% YoY), ordinary income 8,972 million yen (up 8.9% YoY), net income attributable to owners of the parent 6,383 million yen (up 13.6% YoY).

	Year ended	Year ended	Year-on-year change		Revised forecast	
	September 30, 2021 Millions of yen	September 30, 2020 Millions of yen	Millions of yen	%	Millions of yen	%
<b>Net Sales</b>	<b>51,272</b>	51,841	(569)	(1.1)	52,500	(2.3)
Cost of sales	18,241	18,760	(519)	(2.8)		
Gross profit	<b>33,031</b>	33,081	(49)	(0.2)		
SG&A	24,473	25,020	(547)	(2.2)		
<b>Operating income</b>	<b>8,557</b>	8,060	497	6.2	9,000	(4.9)
Non-operating income (expenses)	414	181	232	128.1		
<b>Ordinary income</b>	<b>8,972</b>	8,242	729	8.9	9,200	(2.5)
Extraordinary income (loss)	(6)	(9)	3	—		
Income before income taxes	8,966	8,233	733	8.9		
Income taxes	2,582	2,614	(31)	(1.2)		
<b>Net income attributable to owners of the parent</b>	<b>6,383</b>	5,618	765	13.6	6,300	1.3
<b>Cost ratio (%)</b>	<b>35.6</b>	36.2	(0.6)	—	—	—
<b>Operating income margin (%)</b>	<b>16.7</b>	15.5	1.2	—	17.1	—
Ordinary income margin (%)	17.5	15.9	1.6	—	17.5	—
Net income attributable to owners of the parent margin (%)	12.4	10.8	1.6	—	12.0	—
<b>SG&amp;A ratio (%)</b>	<b>47.7</b>	48.3	(0.5)	—	—	—

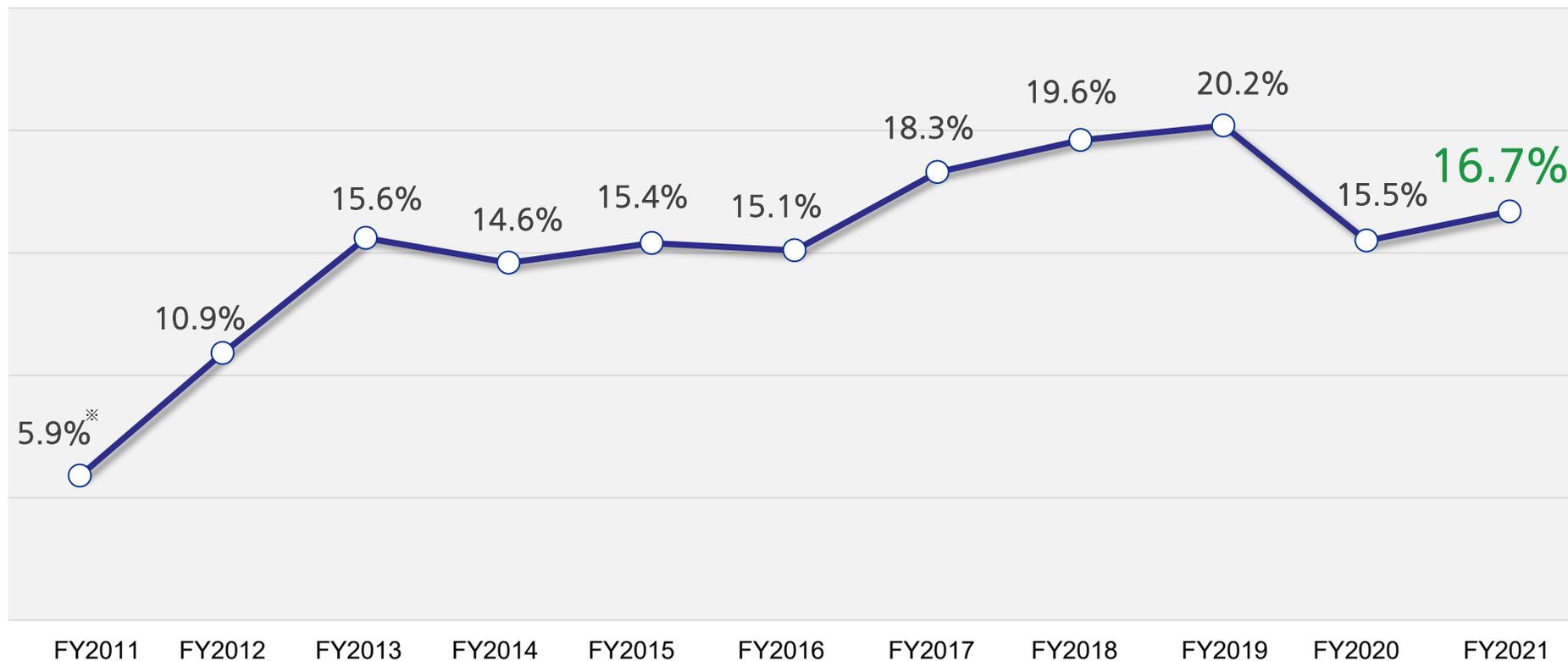
# Trends in Sales and Operating Income



**In FY 2021, sales decreased but operating income increased**

\*Net sales and operating income for fiscal 2011 are the sum value of results from Noevir Co, Ltd. for Q2 fiscal 2011 and Noevir Holdings Co., Ltd. for fiscal 2011.

# Operating Income Margin

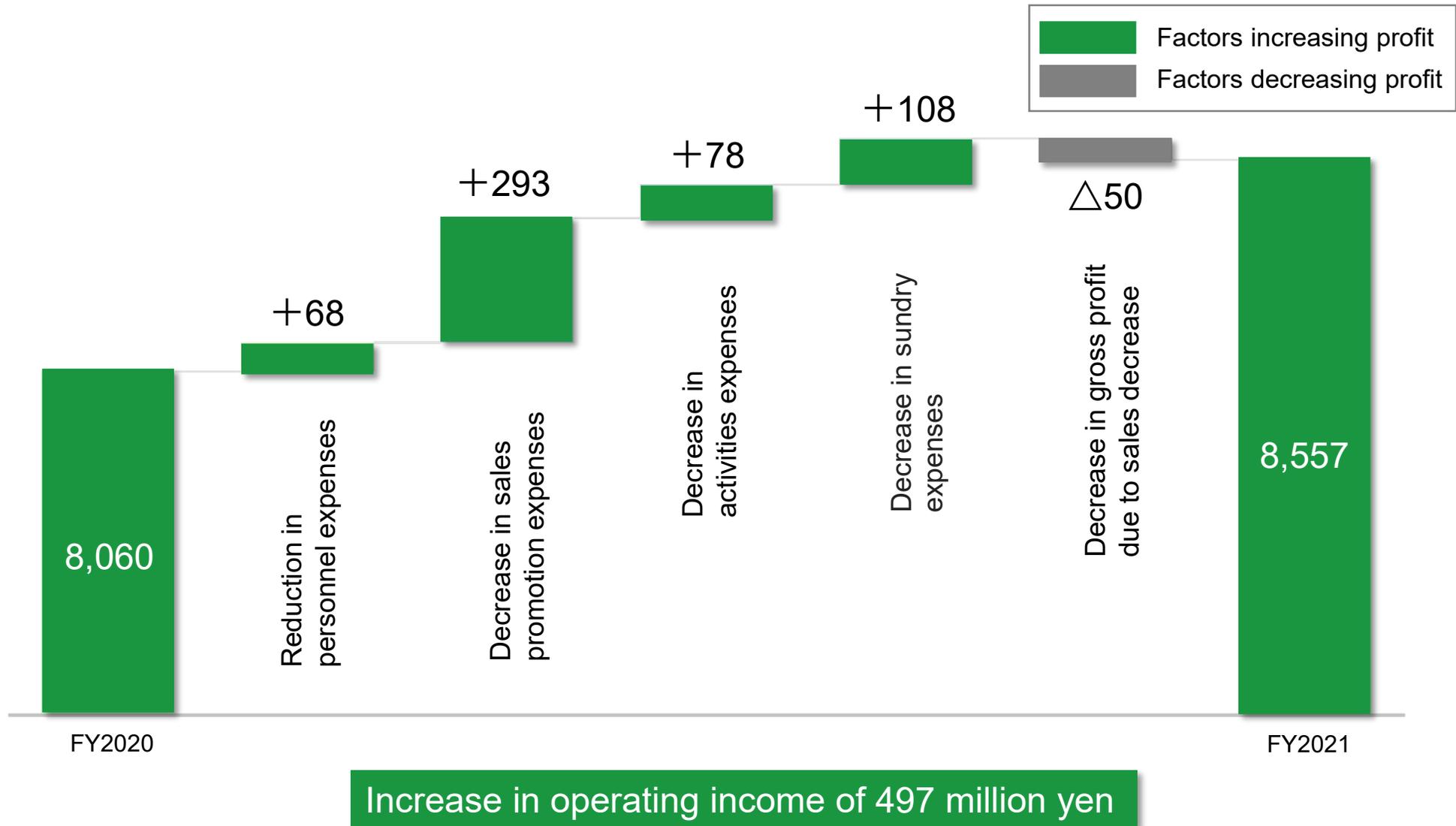


**Continued to maintain a high operating income margin in FY 2021**

\* The operating income margin for fiscal 2011 was calculated from a sum of results for Noevir Co, Ltd. for Q2 fiscal 2011 and Noevir Holdings Co., Ltd. for fiscal 2011.

# Fiscal 2021 Reasons for Change in Operating Income

(Millions of yen)



1. Results for Fiscal 2021

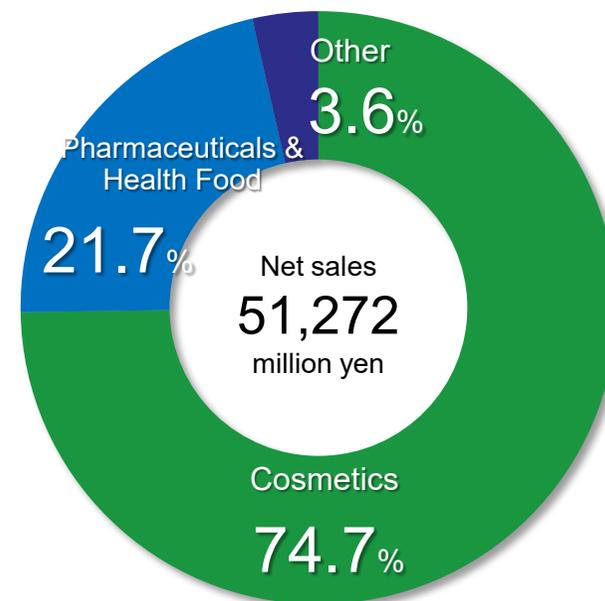
**2. Fiscal 2021 Segment-Based Highlights**

3. Medium-term Management Plan

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# Fiscal 2021 Segment-Based Highlights

	Year ended September 30, 2021	Year ended September 30, 2020	Year-on-year change	
	Millions of yen	Millions of yen	Change	%
<b>Cosmetics</b>				
Net sales	<b>38,325</b>	38,742	(416)	(1.1)
Segment income	<b>9,600</b>	9,505	95	1.0
<b>Pharmaceuticals &amp; Health Food</b>				
Net sales	<b>11,117</b>	11,273	(155)	(1.4)
Segment income	<b>1,442</b>	1,261	180	14.3
<b>Other</b>				
Net sales	<b>1,828</b>	1,825	2	0.2
Segment income	<b>156</b>	10	146	1,454.5
<b>Consolidated net sales</b>	<b>51,272</b>	51,841	(569)	(1.1)



Composition of net sales in fiscal 2021

## Cosmetics

Sales decreased, but profits increased year on year  
Sales decreased slightly for face-to-face channel cosmetics and self-selection cosmetics

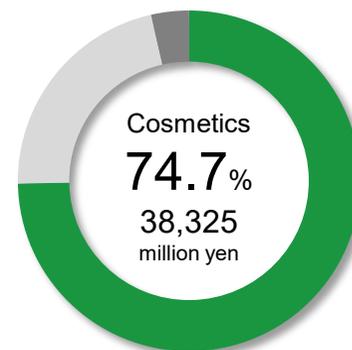
## Pharmaceuticals & Health Food

Sales decreased, but profits increased year on year  
Profits increased due to strong sales of nutritional supplements

## Other

Sales and profits increased year on year  
Apparel-related business performed strongly

	Year ended September 30, 2021	Year ended September 30, 2020	Year-on-year change	
	Millions of yen	Millions of yen	Change	%
Net sales	<b>38,325</b>	38,742	(416)	(1.1)
Segment income	<b>9,600</b>	9,505	95	1.0



Composition of net sales in fiscal 2021

## Face-to-face channel cosmetics

- Sales of makeup decreased and high-end skincare products were in line with the previous year due to the impact of COVID-19
- New products *Noevir BIOSIGN INNER TREATMENT LIPOSOME* and *Noevir WRINKLE SERUM* contributed to sales



*Noevir BIOSIGN INNER TREATMENT LIPOSOME*

## Self-selection cosmetics

- *Nameraka Honpo* skincare brand sold briskly
- Sales of the *excel* brand lineup decreased due to the impact of COVID-19
- *NOV* brand skincare for acne sold briskly



*Nameraka Honpo* skincare brand

## Overseas and OEM business sales

- Increased sales overseas
- OEM performed sluggishly



*NOV AC ACTIVE* skincare line

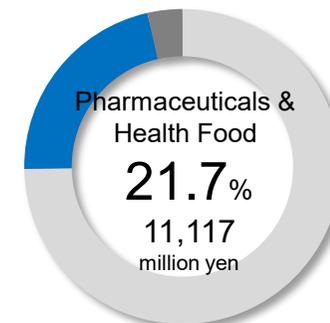
	Year ended September 30, 2021	Year ended September 30, 2020	Year-on-year change	
	Millions of yen	Millions of yen	Change	%
Net sales	<b>11,117</b>	11,273	(155)	(1.4)
Segment income	<b>1,442</b>	1,261	180	14.3

- Sales decreased due to sluggish sales of drinks despite brisk sales of nutritional supplements
- Profits increased due to strong sales of nutritional supplements

## Fiscal 2021 Other

	Year ended September 30, 2021	Year ended September 30, 2020	Year-on-year change	
	Millions of yen	Millions of yen	Change	%
Net sales	<b>1,828</b>	1,825	2	0.2
Segment income	<b>156</b>	10	146	1,454.5

- Apparel-related business performed strongly



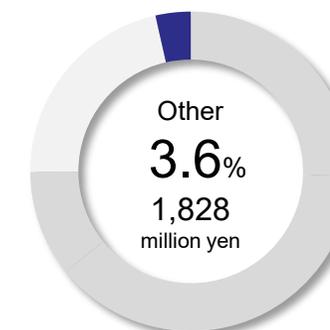
Composition of net sales in fiscal 2021



Noevir WEIGHT BALANCE  
<Foods with Function Claims>



Min Min Da Ha  
functional drink brand lineup



Composition of net sales in fiscal 2021

# Balance Sheets

(Millions of yen)

	Previous year As of September 30, 2020	Year ended September 30, 2021 As of September 30, 2021	Change
Current assets	50,416	<b>51,128</b>	712
Cash and cash equivalents	29,456	<b>31,101</b>	1,645
Notes and accounts receivable	9,229	<b>9,307</b>	78
Non-current assets	29,636	<b>29,320</b>	(316)
Property, plant and equipment	23,023	<b>22,041</b>	(982)
Buildings and structures, net	5,628	<b>5,322</b>	(306)
Equipment and vehicles, net	1,631	<b>1,418</b>	(212)
Intangible assets	430	<b>431</b>	0
Goodwill	271	<b>240</b>	(31)
Investments and other assets	6,181	<b>6,847</b>	665
Investment securities	2,064	<b>2,779</b>	714
<b>Total assets</b>	<b>80,052</b>	<b>80,448</b>	396
Current liabilities	7,580	<b>8,639</b>	1,059
Long-term liabilities	20,229	<b>19,575</b>	(653)
Guarantee deposits received	12,894	<b>12,415</b>	(478)
<b>Total liabilities</b>	<b>27,809</b>	<b>28,215</b>	406
Shareholders' equity	50,980	<b>50,357</b>	(622)
Common stock	7,319	<b>7,319</b>	-
Retained earnings	43,662	<b>43,040</b>	(621)
<b>Total net assets</b>	<b>52,243</b>	<b>52,233</b>	(10)
<b>Total liabilities and net assets</b>	<b>80,052</b>	<b>80,448</b>	396
Equity ratio	64.9%	<b>64.5%</b>	(0.4)pt
	Previous year	Year ended September 30, 2021	Change
Capital expenditures	1,456	<b>539</b>	(916)
Depreciation	1,668	<b>1,463</b>	(205)

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**3. Medium-term Management Plan**

4. Forecasts and Initiatives for Fiscal 2022

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.

## Medium-term Management Plan Concept

**Realizing steady corporate growth by securing sustainability in every Group business segment**

## Five Policies

1. Pursue innovation and continuous profit generation in the domestic market
2. Enhance our brand value
3. Accelerate efforts to diversify human resources and our corporate structure
4. Strengthen our competitiveness by stepping up the diversification of our R&D, production and logistics systems
5. Promote a management approach that is responsive to changes in the business environment

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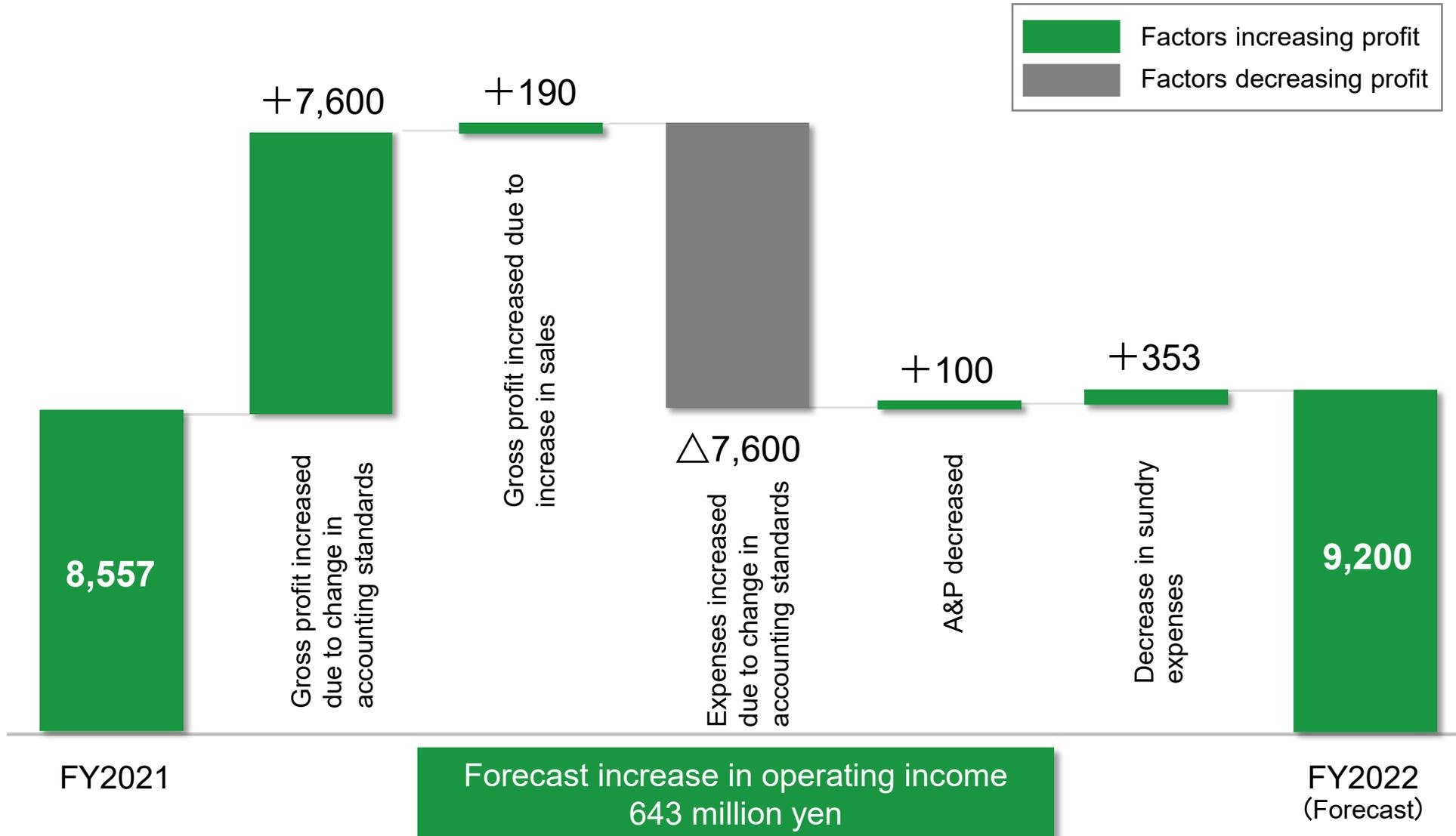
# Fiscal 2022 Forecasts

	Net Sales Millions of yen	Operating Income Millions of yen	Ordinary Income Millions of yen	Net Income Attributable to Owners of Parent Millions of yen	EPS Yen
<b>Full Year Forecasts</b>	<b>58,500</b>	<b>9,200</b>	<b>9,400</b>	<b>6,500</b>	<b>190.30</b>
Fiscal 2021 Results	51,272	8,557	8,972	6,383	186.88
Change	14.1%	7.5%	4.8%	1.8%	—
<b>1st Half Forecast</b>	<b>29,400</b>	<b>4,600</b>	<b>4,700</b>	<b>2,100</b>	<b>61.48</b>
Fiscal 2021 1st Half Results	25,860	4,529	4,626	2,004	58.67
Change	13.7%	1.6%	1.6%	4.8%	—
<b>2nd Half Forecast</b>	<b>29,100</b>	<b>4,600</b>	<b>4,700</b>	<b>4,400</b>	<b>128.82</b>
Fiscal 2021 2nd Half Results	25,412	4,028	4,346	4,379	128.21
Change	14.5%	14.2%	8.1%	0.5%	—

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. will be applied from the beginning of the fiscal year ending September 30, 2022. This new standard will result in changes such as the expensing of certain items that had previously been deducted from net sales. If figures for the fiscal year ended September 30, 2021 were calculated based on the same standard, net sales for the full fiscal year would be expected to increase by 0.3% year on year.

# Fiscal 2022 Reasons for Change in Operating Income Forecast

(Millions of yen)



## Strive for improved profitability as a core business

Face-to-face  
channel  
cosmetics

Expand customer contact points in e-commerce and online based on face-to-face sales

Self-selection  
cosmetics

Present products timely with an understanding of customers' needs

## Face-to-face channel cosmetics

*Noevir*

Focus based on face-to-face sales

Sales representatives conduct NOEVIR Beauty Studios salons

- Improve service quality, focus on sales
- Roll out to about 2,000 stores in regions nationwide



Directly-managed NOEVIR SALON DE SPECIALE and NOEVIR Style stores

- Roll out 10 stores nationwide



## Face-to-face channel cosmetics

Promote use of e-commerce and online sales

### Improve customer service

- Instagram Live for customers  
Strengthen contact points with customers through online beauty education and counseling services to respond to concerns about skin and seasons

### Improve convenience for sales representatives

- Promote use of online ordering system NOEVIR Support

### Improve sales representatives' service levels

- Online briefings on new products for sales representatives

## Face-to-face channel cosmetics

*Noevir*

Sell and focus on sales expansion of new products

# NOEVIR

An aging skincare serum resulting  
from many years of dermatological  
research and original condensed  
plant extract

*Noevir SERUMUNE*  
30,800 yen (tax inclusive)  
On sale November 2021



## Self-selection cosmetics

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



*Nameraka Honpo*  
Aging Care skincare line  
Sales relaunched starting September 2021

保湿ライン  
ふっくらもち肌。



Moisture skincare line

ハリつやライン  
もっちりつや肌。



Haritsuya skincare line

美白※ライン  
白ふっくら肌。



Brightening skincare line

\* Suppresses generation of melanin, prevents blemishes and freckles

## Self-selection cosmetics

### excel brand

Sell and focus on sales expansion of attractive new products



excel eye planner  
New colors launched October 2021



### Live commerce events



Examples of excel eye makeup looks that complement different mask colors  
Demonstrated by new model NINA P.

## Self-selection cosmetics

### NOV brand

Focus on expanding sales of mainstay series

# NOV



NOV III skincare line  
(Skincare for sensitive and dry skin)



NOV L&W skincare line  
(High moisturization aging care for sensitive skin)



NOV AC ACTIVE skincare line  
(Proactive skincare for adult acne)



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

## Pharmaceuticals

- Aim to increase earnings by capturing new customers through launch of special products and new products, etc.

南天のと館



## Health Food

- Relaunch sales of *Min Min Da Ha* functional drink brand lineup
- Deploy promotions using internet and social media

眠眠打破  
MIN MIN DAHA



➤ Improve Profitability

Apparel business

Launch new products

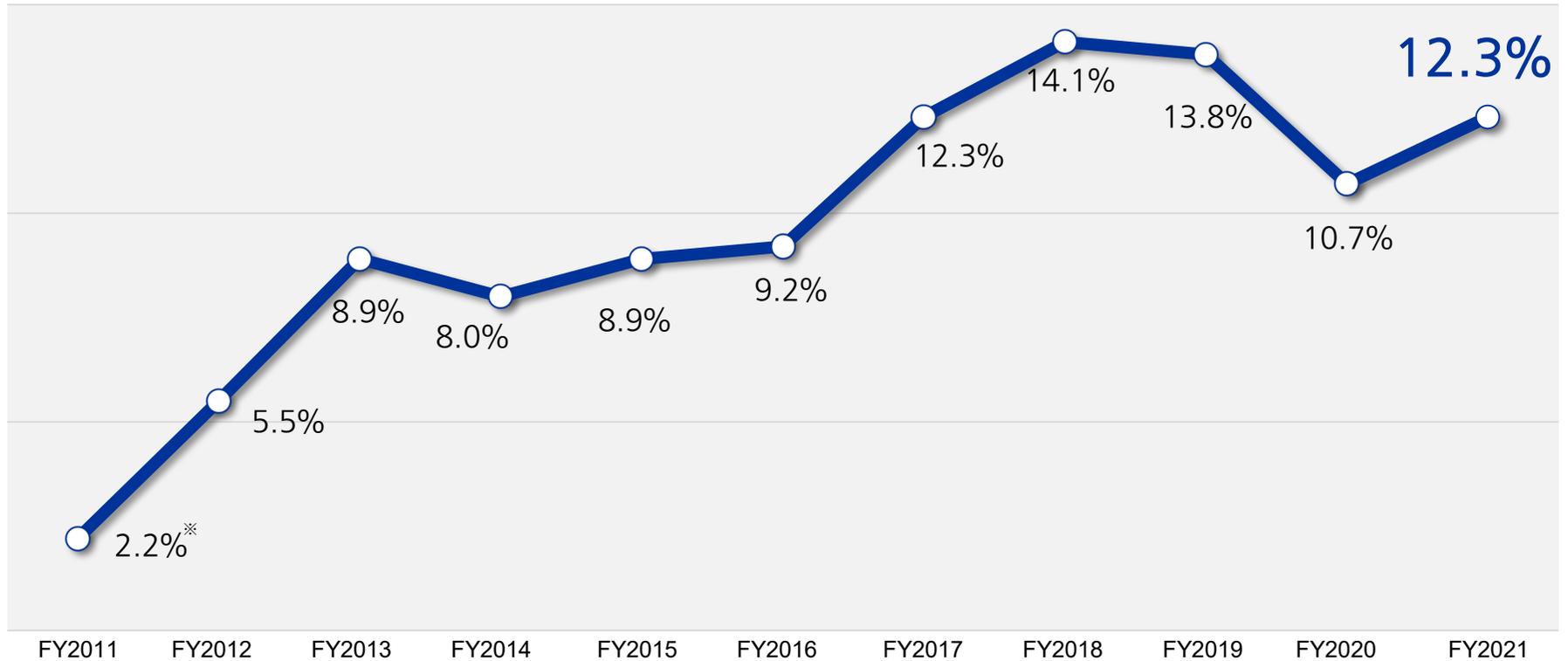
NOEVIR



Aviation-related business

Continue responding  
carefully

# Return on Equity

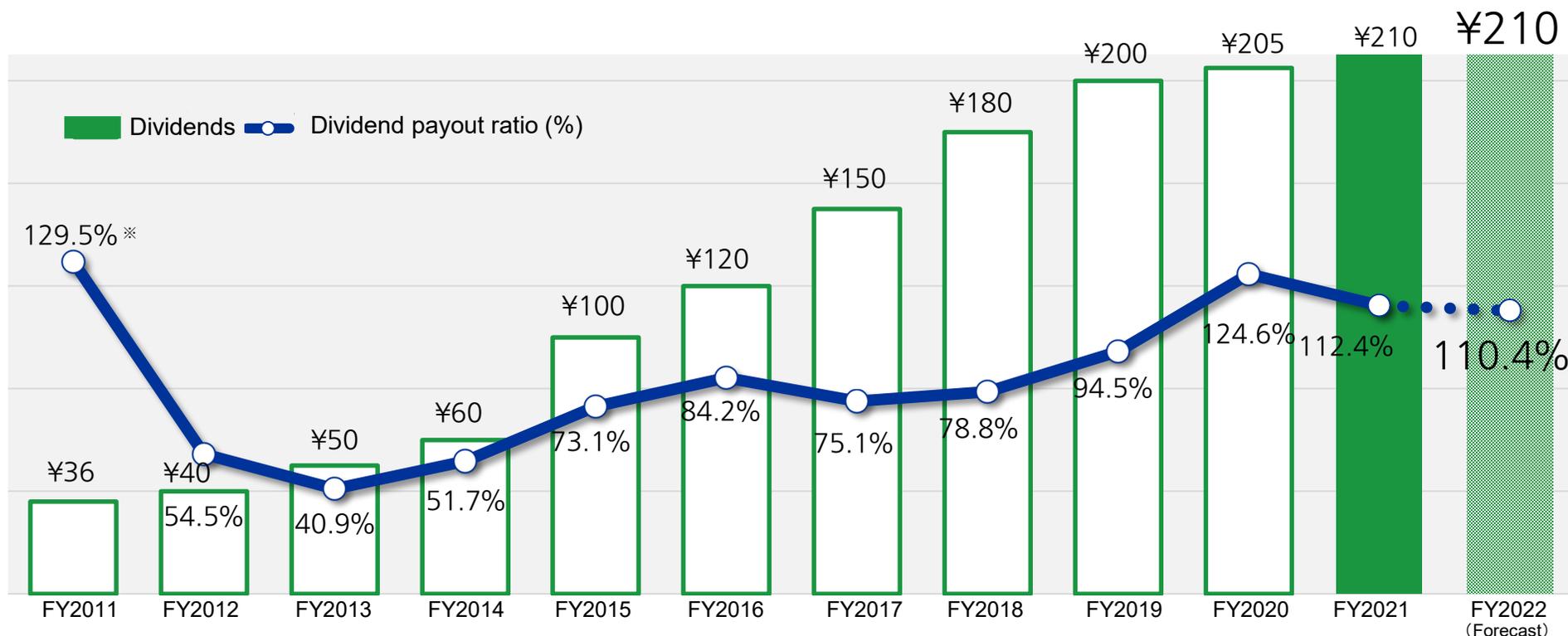


Enhance profitability through efficient management

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

# Dividend and Dividend Payout Ratio

Increased dividends for 10 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>

These materials contain information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors including changes in material circumstances