

Noevir Holdings Co., Ltd.

Results for the First Half of Fiscal 2021

(October 1, 2020 – March 31, 2021)

May 14, 2021

Noevir Holdings Co., Ltd.

Ikkou Yoshida, Director,

Management Strategy and Public & Investor Relations

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

1,507 (Consolidated) (As of September 30, 2020)

Number of shareholders

19,025 (As of March 31, 2021)

Outstanding Shares

34,156 thousand shares

Market Capitalization

¥164.293 billion (May 13, 2021 @ ¥4,810)

Line of Business

NOEVIR



本舗
おろちん



excel
TOKYO RICH CASUAL by NOEVIR



毛穴隠して崩れない
毛穴パテ職人



NOV



Cosmetics

眠眠
打破



南天のと飴



Pharmaceuticals & Health Food

Apparel
business
Aviation-related
business

Other

1. Results for the First Half of Fiscal 2021

2. The First Half of Fiscal 2021
Segment-Based Highlights

3. Medium-Term Management Plan

4. Forecasts and Initiatives
for the Second Half of Fiscal 2021

**Sales and profits decreased due to the impact of COVID-19,
but increased compared to planned company targets**

| | 1st half of fiscal 2021 | Year-on-year change | Planned company target (vs. forecast target) |
|-------------------------|----------------------------|------------------------|--|
| Net sales | 25,800 million yen | (6.9%) | +1.4% |
| Operating income | 4,500 million yen | (10.6%) | +13.2% |
| Operating income margin | 17.5% | (0.7pt) | +1.8pt |

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

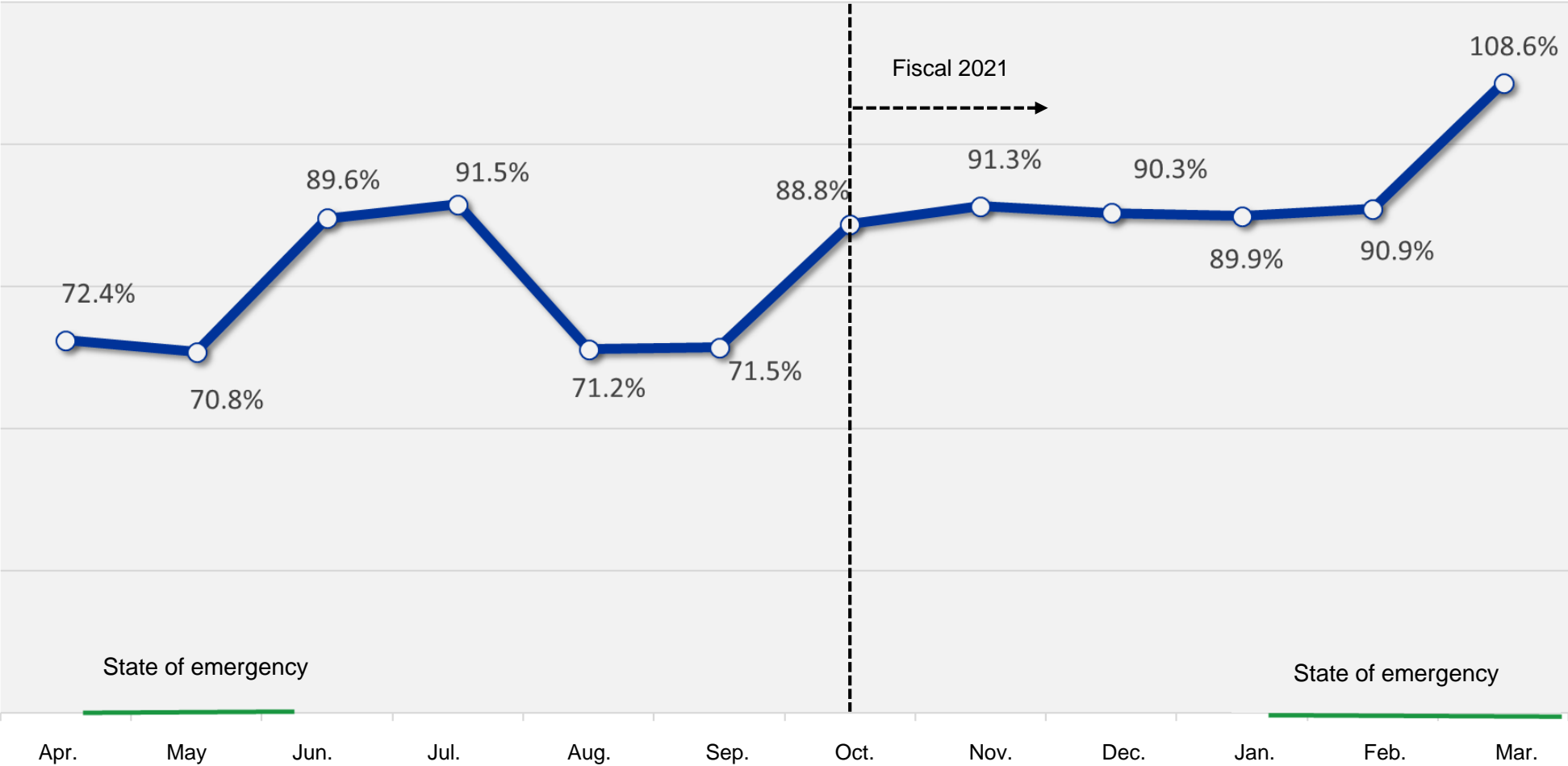
Operating income
margin
17.5%

The First Half of Fiscal 2021 Highlights

Net sales 25,860 million yen (down 6.9% YoY), operating income 4,529 million yen (down 10.6% YoY), ordinary income 4,626 million yen (down 9.9% YoY), net income attributable to owners of the parent 2,004 million yen (down 16.4% YoY).

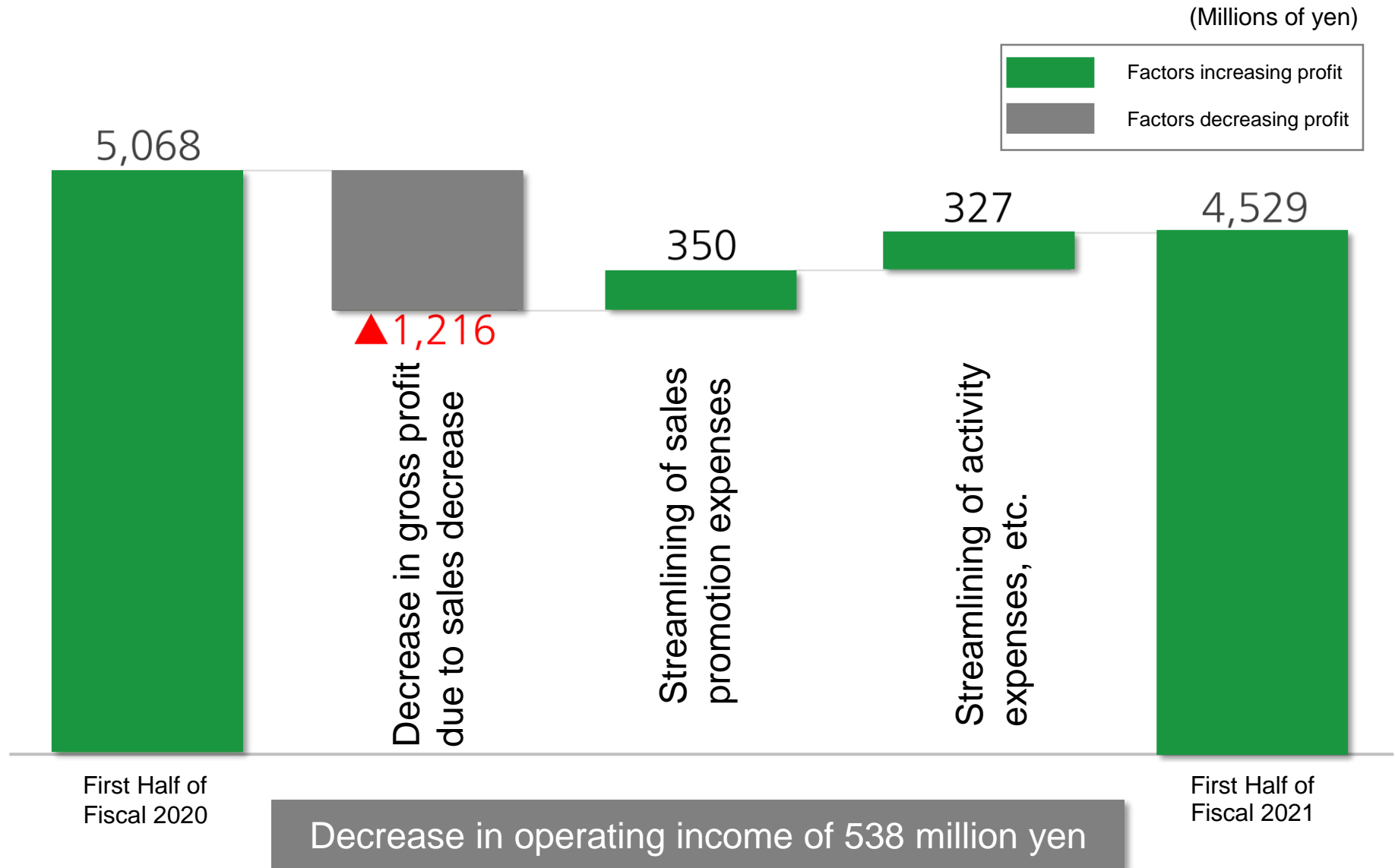
| | 1st half ended March 31, 2021 | 1st half ended March 31, 2020 | Year-on-year change | | Earnings forecast target | |
|--|----------------------------------|----------------------------------|---------------------|---------------|--------------------------|-------------|
| | Millions of yen | Millions of yen | Millions of yen | % | Millions of yen | % |
| Net sales | 25,860 | 27,789 | (1,928) | (6.9) | 25,500 | 1.4 |
| Cost of sales | 9,311 | 10,024 | (712) | (7.1) | | |
| Gross profit | 16,548 | 17,765 | (1,216) | (6.8) | | |
| SG&A | 12,019 | 12,696 | (677) | (5.3) | | |
| Operating income | 4,529 | 5,068 | (538) | (10.6) | 4,000 | 13.2 |
| Non-operating income/expenses | 96 | 66 | 30 | 45.3 | | |
| Ordinary income | 4,626 | 5,135 | (508) | (9.9) | 4,100 | 12.8 |
| Extraordinary income/loss | 1 | △0 | 2 | — | | |
| Income before income taxes | 4,627 | 5,134 | (506) | (9.9) | | |
| Income taxes | 2,623 | 2,735 | (112) | (4.1) | | |
| Net income attributable to owners of the parent | 2,004 | 2,398 | (394) | (16.4) | 1,900 | 5.5 |
| Cost ratio (%) | 36.0 | 36.1 | (0.1pt) | — | — | — |
| Operating income margin (%) | 17.5 | 18.2 | (0.7pt) | — | 15.7 | — |
| Ordinary income margin (%) | 17.9 | 18.5 | (0.6pt) | — | 16.1 | — |
| Net income attributable to owners of the parent margin (%) | 7.7 | 8.6 | (0.9pt) | — | 7.5 | — |
| SG&A ratio (%) | 46.5 | 45.7 | 0.8pt | — | — | — |

Monthly Net Sales in the Cosmetics Segment Year on Year



The First Half of Fiscal 2021

Reasons for Change in Operating Income



1. Results for the First Half of Fiscal 2021

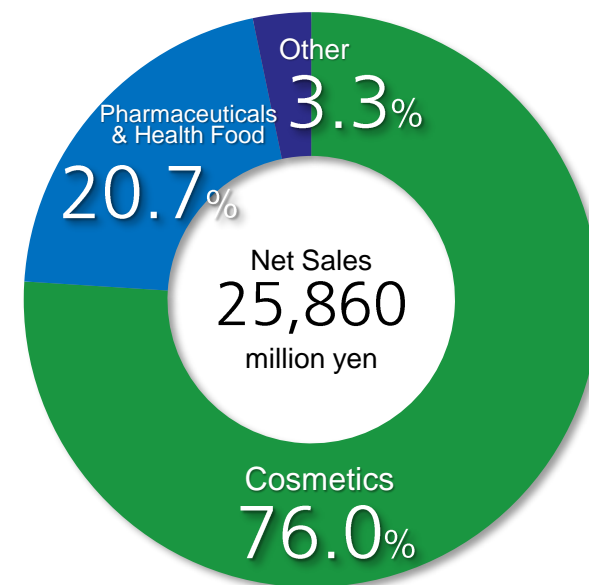
**2. The First Half of Fiscal 2021
Segment-Based Highlights**

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The First Half of Fiscal 2021 Segment-Based Highlights

| | 1st half ended March 31, 2021 | 1st half ended March 31, 2020 | Year-on-year change | |
|--|----------------------------------|----------------------------------|---------------------|--------------|
| | Millions of yen | Millions of yen | Millions of yen | % |
| Cosmetics | | | | |
| Net sales | 19,655 | 21,182 | (1,527) | (7.2) |
| Segment income | 5,123 | 5,683 | (560) | (9.9) |
| Pharmaceuticals & Health Food | | | | |
| Net sales | 5,359 | 5,597 | (238) | (4.3) |
| Segment income | 691 | 688 | 2 | 0.4 |
| Other | | | | |
| Net sales | 845 | 1,008 | (162) | (16.2) |
| Segment income | 87 | 92 | (4) | (4.9) |
| Consolidated net sales | 25,860 | 27,789 | (1,928) | (6.9) |

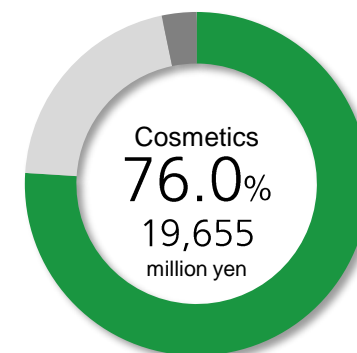


Composition of net sales in the first half of fiscal 2021

| | |
|--|--|
| Cosmetics | Sales and profits decreased year on year Face-to-face channel cosmetics and self-selection cosmetics performed sluggishly |
| Pharmaceuticals & Health Food | Sales declined and profits increased year on year Profits increased from efficient management of selling, general and administrative expenses |
| Other | Sales and profits decreased year on year Sales in the apparel-related business and the aviation-related business were sluggish |

The First Half of Fiscal 2021 Cosmetics

| | 1st half ended March 31, 2021 | 1st half ended March 31, 2020 | Year-on-year change | |
|----------------|----------------------------------|----------------------------------|---------------------|-------|
| | Millions of yen | Millions of yen | Change | % |
| Net sales | 19,655 | 21,182 | (1,527) | (7.2) |
| Segment income | 5,123 | 5,683 | (560) | (9.9) |



Composition of net sales in the first half of fiscal 2021

Face-to-face channel cosmetics

- Sales decreased year on year, mainly of makeup, due to the impact of COVID-19
- Skincare sales in line with previous year
- *Noevir WRINKLE SERUM*, a new serum for improving wrinkles, contributed to sales

Self-selection cosmetics

- Sales decreased for *excel* brand lineup due to COVID-19
- *Nameraka Honpo* skincare brand sales in line with previous year
- *NOV* brand acne series performed well

Overseas and OEM business sales

- Increased sales overseas
- OEM performed sluggishly



Noevir WRINKLE SERUM



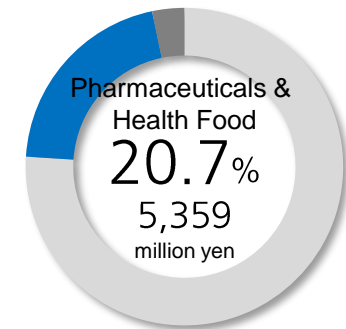
excel brand lineup

The First Half of Fiscal 2021

Pharmaceuticals & Health Food

| | 1st half ended March 31, 2021 | 1st half ended March 31, 2020 | Year-on-year change | |
|----------------|----------------------------------|----------------------------------|---------------------|-------|
| | Millions of yen | Millions of yen | Millions of yen | % |
| Net sales | 5,359 | 5,597 | (238) | (4.3) |
| Segment income | 691 | 688 | 2 | 0.4 |

- Sales decreased due to sluggish sales of drinks despite solid sales of nutritional supplements
- Profits increased from efficient management of selling, general and administrative expenses



Composition of net sales in the first half of fiscal 2021



JUNAYUMI Premium

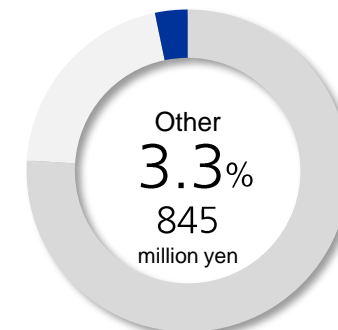


Min Min Da Ha functional drink brand lineup

The First Half of Fiscal 2021 Other

| | 1st half ended March 31, 2021 | 1st half ended March 31, 2020 | Year-on-year change | |
|----------------|----------------------------------|----------------------------------|---------------------|--------|
| | Millions of yen | Millions of yen | Millions of yen | % |
| Net sales | 845 | 1,008 | (162) | (16.2) |
| Segment income | 87 | 92 | (4) | (4.9) |

- Sales in the apparel-related business and aviation-related business were sluggish due to COVID-19



Composition of net sales in the first half of fiscal 2021

The First Half of Fiscal 2021 Balance Sheets

(Millions of yen)

| | Previous year (As of March 31, 2020) | As of March 31, 2021 | Change |
|----------------------------------|---|----------------------|---------|
| Current assets | 48,885 | 47,136 | (1,748) |
| Cash and cash equivalents | 27,574 | 26,994 | (579) |
| Notes and accounts receivable | 9,926 | 9,568 | (357) |
| Non-current assets | 29,402 | 29,589 | 187 |
| Property, plant and equipment | 23,336 | 22,738 | (598) |
| Buildings and structures, net | 5,594 | 5,459 | (134) |
| Equipment and vehicles, net | 2,059 | 1,380 | (678) |
| Intangible assets | 461 | 419 | (41) |
| Investments and other assets | 5,603 | 6,432 | 828 |
| Investment securities | 1,534 | 2,186 | 652 |
| Total assets | 78,287 | 76,726 | (1,561) |
| Current liabilities | 9,349 | 9,193 | (155) |
| Long-term liabilities | 20,326 | 20,002 | (323) |
| Guarantee deposits received | 13,129 | 12,650 | (478) |
| Total liabilities | 29,675 | 29,196 | (479) |
| Shareholders' equity | 47,760 | 45,979 | (1,781) |
| Common stock | 7,319 | 7,319 | - |
| Retained earnings | 40,442 | 38,661 | (1,781) |
| Total net assets | 48,612 | 47,530 | (1,081) |
| Total liabilities and net assets | 78,287 | 76,726 | (1,561) |
| Equity ratio | 61.8% | 61.5% | (0.3pt) |

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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

1. Results for the First Half of Fiscal 2021

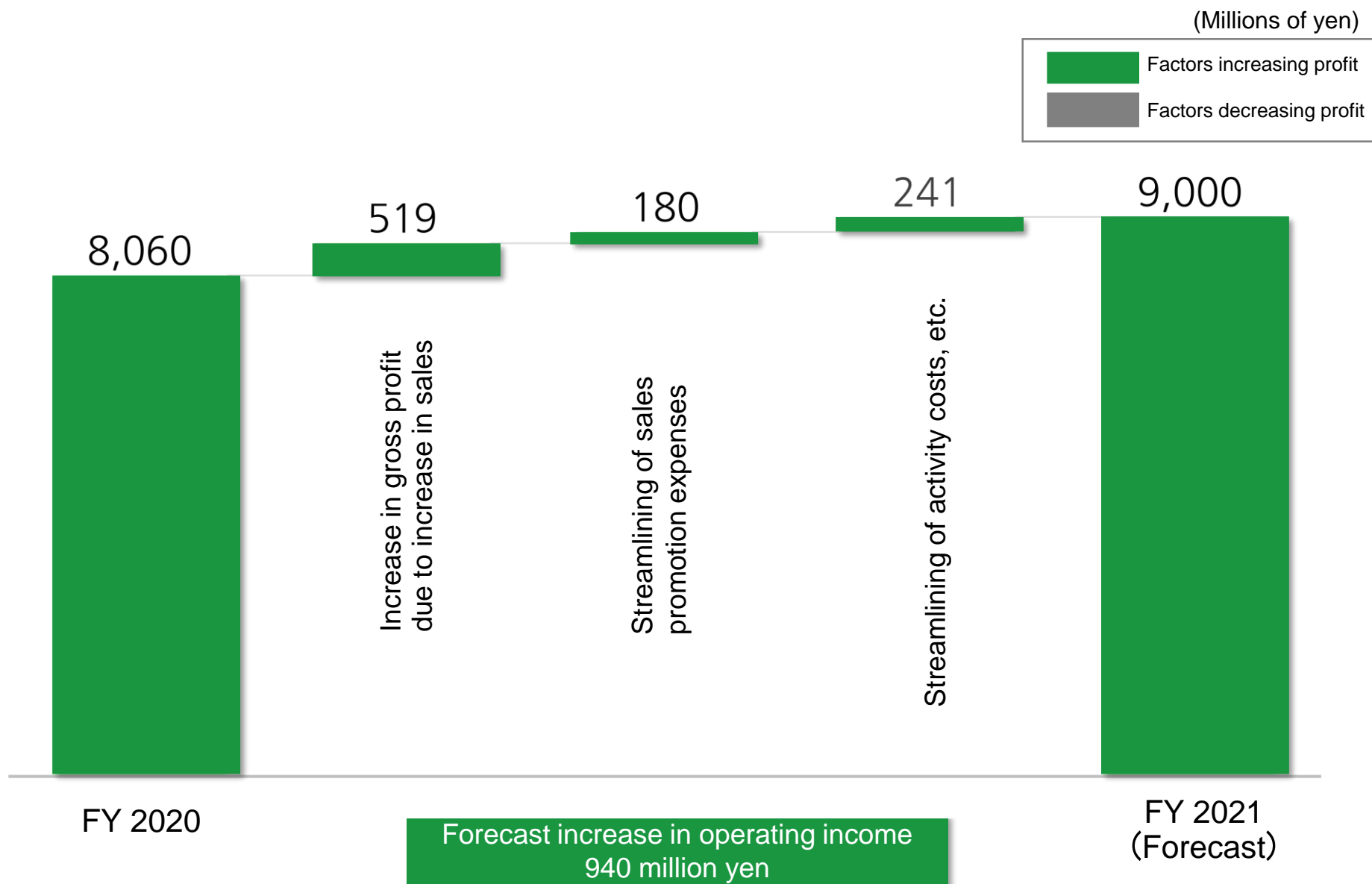
2. The First Half of Fiscal 2021
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for the Second Half of Fiscal 2021**

Fiscal 2021 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 |
|----------------------------------|------------------------------|--|---------------------------------------|--|
| 1st Half Results | 25,860 | 4,529 | 4,626 | 2,004 |
| 2nd Half Forecasts | 26,639 | 4,470 | 4,573 | 4,295 |
| Full Year Forecasts (A) | 52,500 | 9,000 | 9,200 | 6,300 |
| Fiscal 2020 Results (B) | 51,841 | 8,060 | 8,242 | 5,618 |
| Difference (A-B) | 658 | 939 | 957 | 681 |
| Change | 1.3% | 11.7% | 11.6% | 12.1% |
| 2nd Half Forecast (C) | 26,639 | 4,470 | 4,573 | 4,295 |
| Fiscal 2020 2nd Half Results (D) | 24,052 | 2,992 | 3,107 | 3,219 |
| Difference (C-D) | 2,587 | 1,478 | 1,466 | 1,076 |
| Change | 10.8% | 49.4% | 47.2% | 33.4% |



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

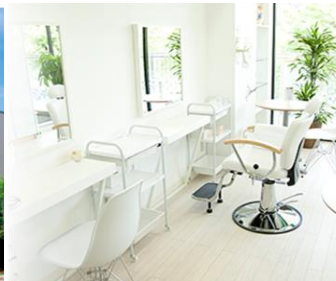
Face-to-face channel cosmetics

Noevir

Focus on based on face-to face sales

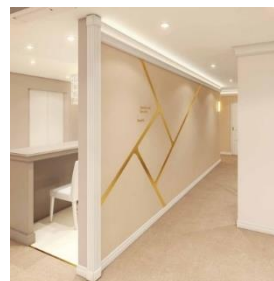
Sales representatives conduct NOEVIR Beauty Studios salons

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



Directly-managed NOEVIR Style and NOEVIR SALON DE SPECIALE stores

- Strengthen Customer Attraction and Profitability
- Roll out 10 stores, mainly in major cities



Face-to-face channel cosmetics

Noevir

Promote use of e-commerce and online sales

Improve convenience for sales representatives and customers

- For sales representatives
Promote use of dedicated online ordering system
NOEVIR Support
- For customers
Release the EC NOEVIR official shopping application



NOEVIR official shopping application

Strengthening online beauty education and counseling services

- For sales representatives
Beauty education including makeup training and new product presentations
- For customers
Counseling services matched to individual skincare concerns and the seasons



Online beauty training for sales representatives

Face-to-face channel cosmetics

Noevir

Sell and focus on sales expansion of new products

NOEVIR

LIPOSOME serum embodies the blessings of nature, advanced using cutting-edge biotech research

Noevir BIOSIGN INNER TREATMENT LIPOSOME
19,800 yen (tax exclusive)
On sale May, 2021



Self-selection cosmetics

excel brand

Sell and focus on sales expansion of attractive new products

excel
TOKYO RICH CASUAL by NOEVIR



excel skinny rich shadow SR11 brick brown
On sale starting March 2021



excel brand lineup image model
In-store display



Official *excel* brand lineup Instagram account
Live streaming of new product releases

Self-selection cosmetics

Nameraka Honpo skincare brand

Acquire a wide array of customers and further expand earnings



保湿ライン
ふっくらもち肌。



リンクルライン
もっちりフト肌。



ハリつやライン
もっちりつや肌。



美白※ライン
白ふっくら肌。



Nameraka Honpo
Skincare UV makeup base
Brightening UV makeup base <quasi drug>
On sale starting February 2021

* Suppresses generation of melanin, prevents blemishes and freckles

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
(Highly moisturizing aging care for
sensitive skin)



NOV AC ACTIVE skincare line
(Proactive skincare for adult acne)
Sales relaunched starting May 2021

- 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.

Health Food

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



南天のと館



眠眠打破



Min Min Da Ha functional drink brand lineup
Sales relaunched starting April 2021

➤ Improve Profitability

Apparel business

Launch new products

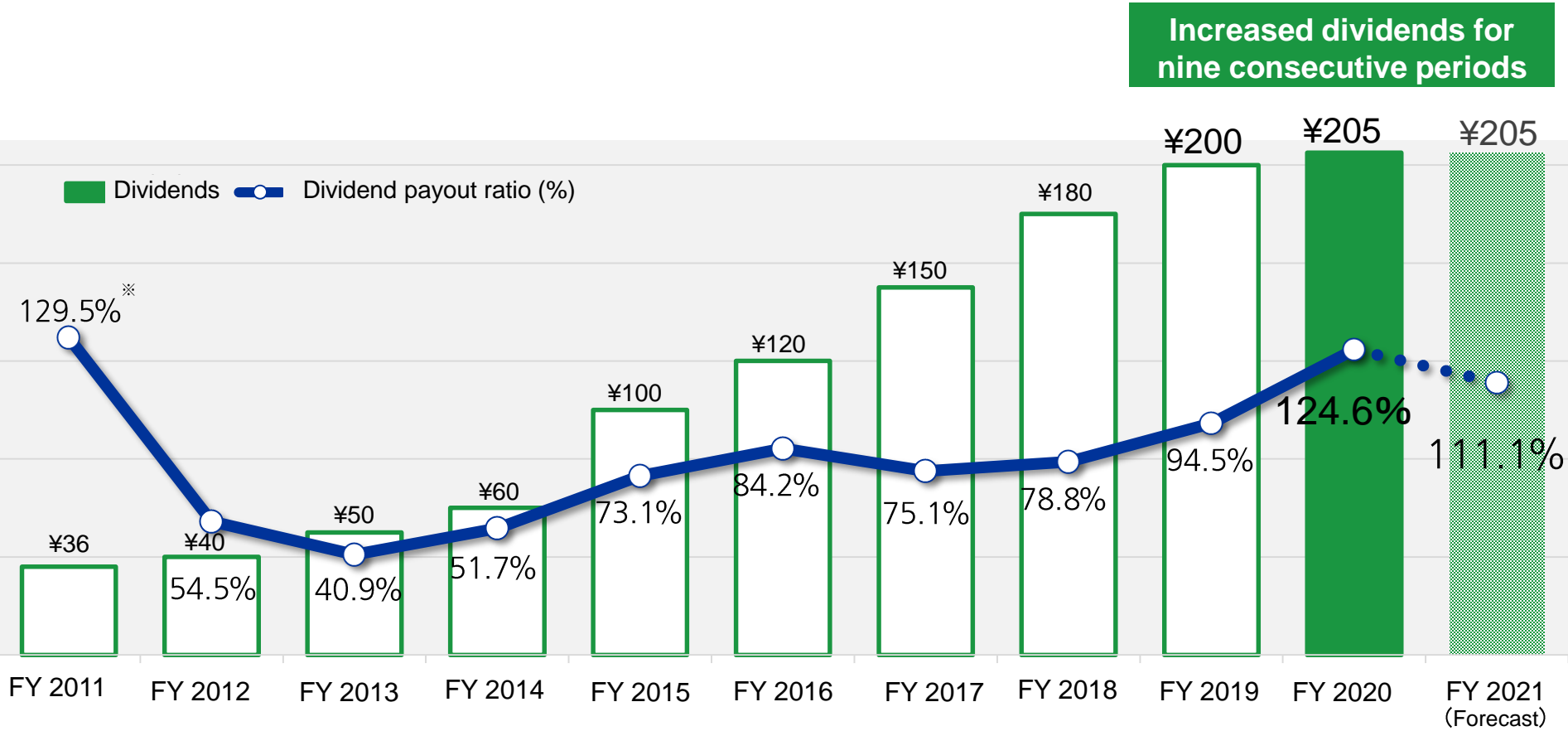
NOEVIR



Aviation-related business

Continue responding
carefully

Dividend and Dividend Payout Ratio



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.



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

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