

Noevir Holdings Co., Ltd.

Results for the First Half of Fiscal 2022

(October 1, 2021 – March 31, 2022)

May 18, 2022

Noevir Holdings Co., Ltd.

Ikkou Yoshida, Director,

Management Director, Administrative

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 1,453 (Consolidated) (As of September 30, 2021)

Number of shareholders 19,794 (As of March 31, 2022)

Outstanding Shares 34,156 thousand shares

Market Capitalization ¥180.346 billion (May 17, 2022 @ ¥5,280)

Line of Business



Cosmetics



Pharmaceuticals & Health Food

Apparel business
Aviation-related business

Other

1. Results for the First Half of Fiscal 2022

2. The First Half of Fiscal 2022
Segment-Based Highlights

3. Medium-Term Management Plan

4. Forecasts and Initiatives
for the Second Half of Fiscal 2022

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

	1st half of fiscal 2022	Year-on-year change	Planned company target (vs. forecast target)	Actual results year-on-year change
Net sales	30,100 million yen	—	+2.6%	+1.5%
Operating income	5,200 million yen	—	+13.7%	+12.5%
Net income attributable to owners of the parent	2,900 million yen	—	+42.0%	—
Operating income margin	17.3%	—	+1.7pt	—

- Factor increasing sales was brisk sales in self-selection cosmetics
- Extraordinary income due to transition to a retirement benefit plan

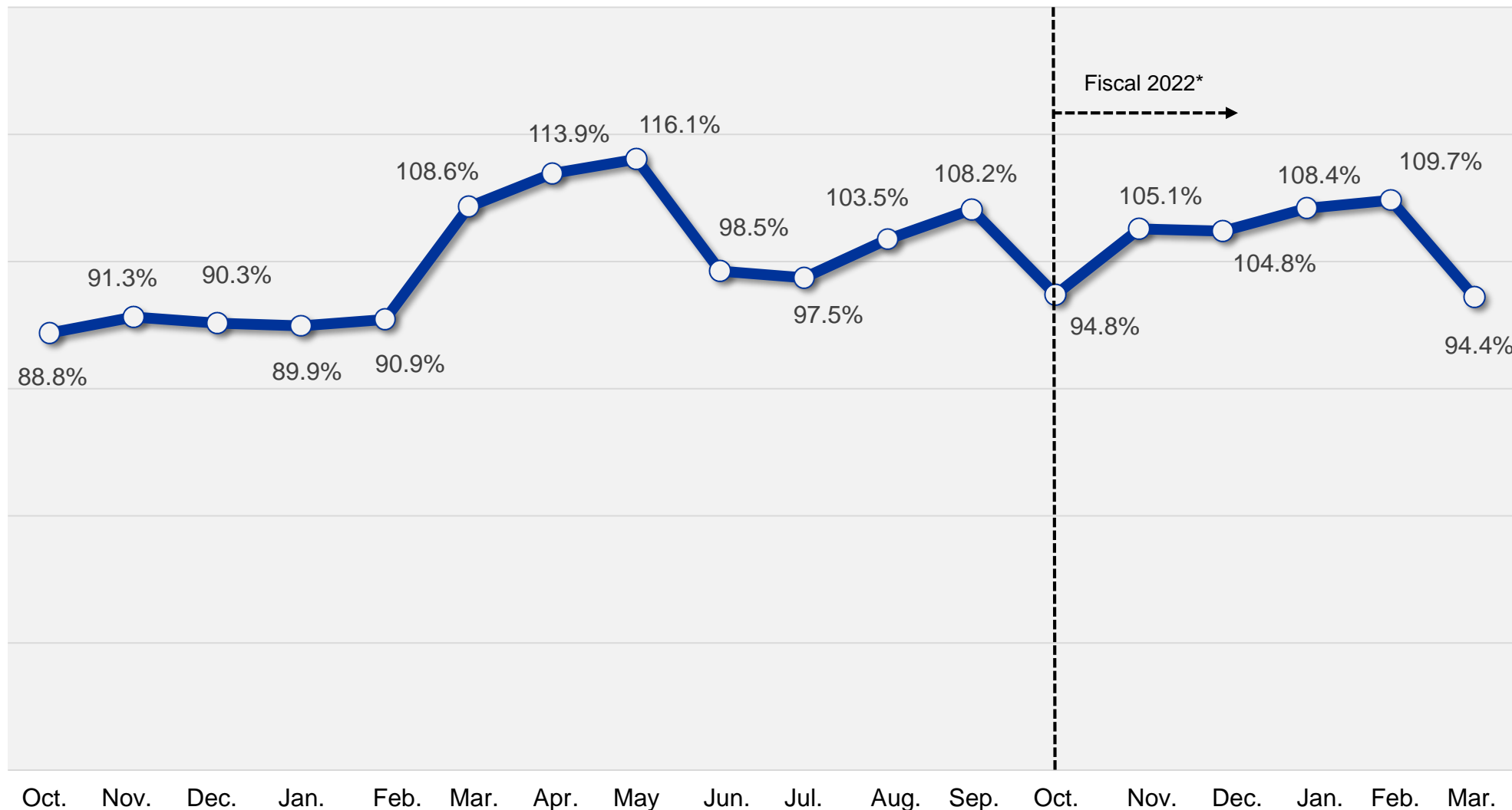
Operating income
margin
17.3%

The First Half of Fiscal 2022 Highlights

Net sales 30,161 million yen yen (Actual result +1.5% year-on-year),
operating income 5,229 million yen (Actual result 12.5% year-on-year),
ordinary income 5,327 million yen (Actual result 12.3% year-on-year)

	1st half ended March 31, 2022	1st half ended March 31, 2021	Earning forecast target		Actual results year-on-year change
	Millions of yen	Millions of yen	Millions of yen	%	%
Net sales	30,161	25,860	29,400	2.6	1.5
Cost of sales	9,193	9,311			
Gross profit	20,968	16,548			
SG&A	15,739	12,019			
Operating income	5,229	4,529	4,600	13.7	12.5
Non-operating income/expenses	98	96			
Ordinary income	5,327	4,626	4,700	13.4	12.3
Extraordinary income/loss	960	1			
Income before income taxes	6,288	4,627			
Income taxes	3,306	2,623			
Net income attributable to owners of the parent	2,982	2,004	2,100	42.0	—
Cost ratio (%)	30.5	36.0	—	—	—
Operating income margin (%)	17.3	17.5	15.6	—	—
Ordinary income margin (%)	17.7	17.9	16.0	—	—
Net income attributable to owners of the parent margin (%)	9.9	7.7	7.1	—	—
SG&A ratio (%)	52.2	46.5	—	—	—

Monthly Net Sales in the Cosmetics Segment Year on Year

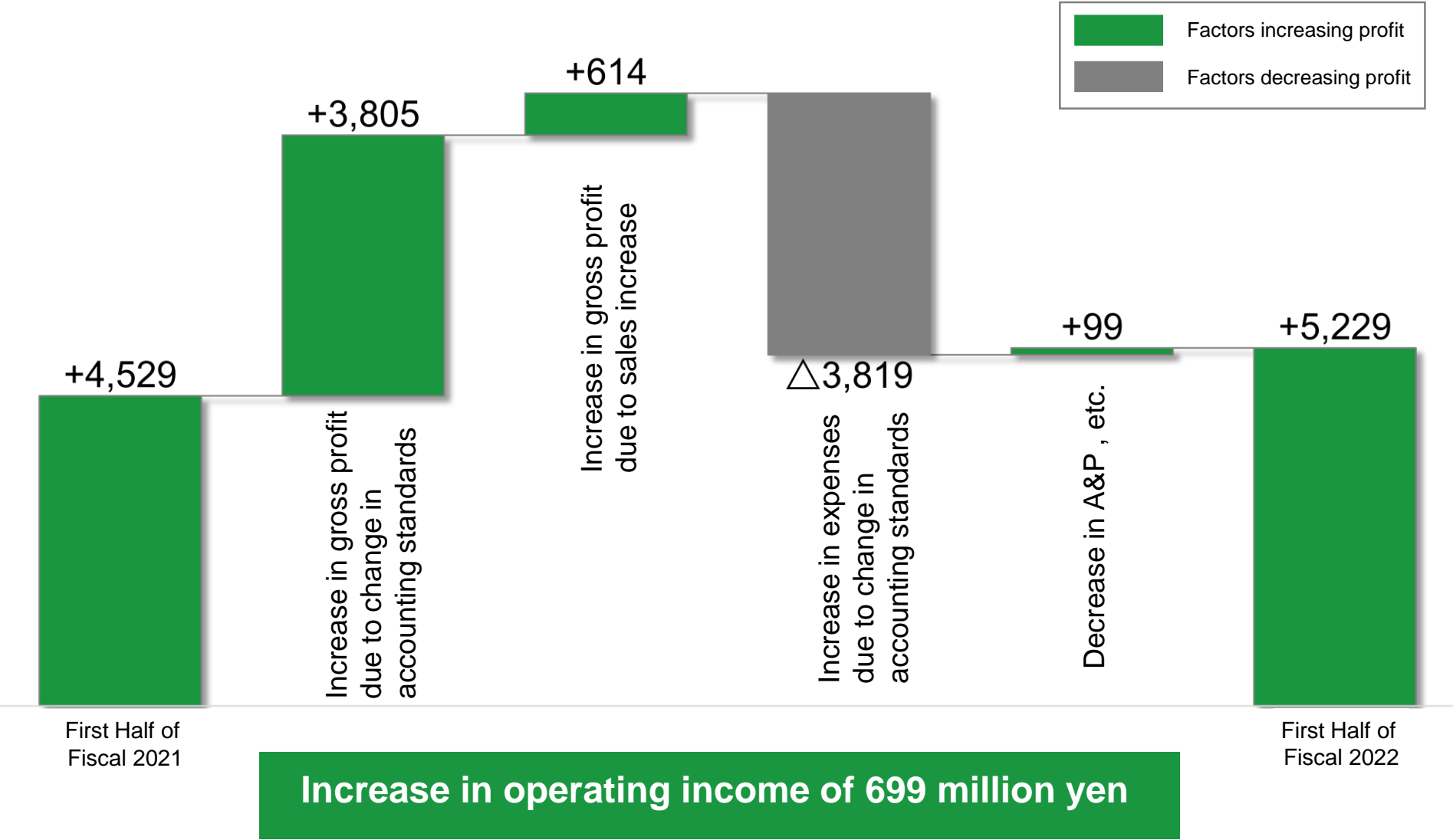


* Comparison with actual results following application of the “Accounting Standard for Revenue Recognition, etc.” from Fiscal 2022

The First Half of Fiscal 2022

Reasons for Change in Operating Income

(Millions of yen)



1. Results for the First Half of Fiscal 2022

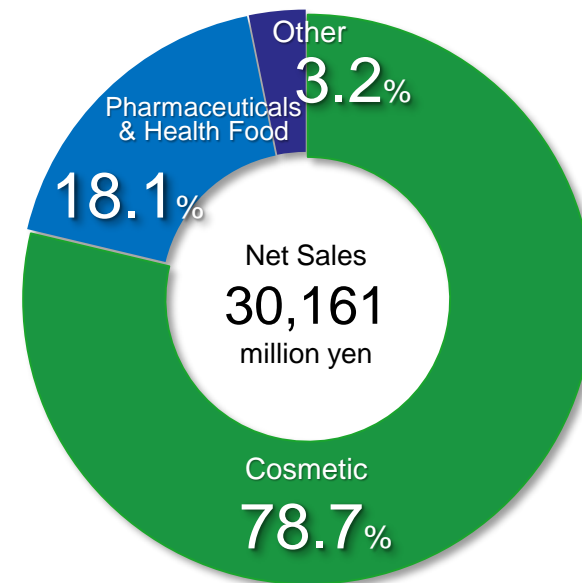
**2. The First Half of Fiscal 2022
Segment-Based Highlights**

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The First Half of Fiscal 2022 Segment-Based Highlights

	1st half ended March 31, 2022 Millions of yen	1st half ended March 31, 2021 Millions of yen
Cosmetics		
Net sales	23,743	19,655
Segment income	5,435	5,123
Pharmaceuticals & Health Food		
Net sales	5,450	5,359
Segment income	766	691
Other		
Net sales	967	845
Segment income	166	87
Consolidated net sales	30,161	25,860

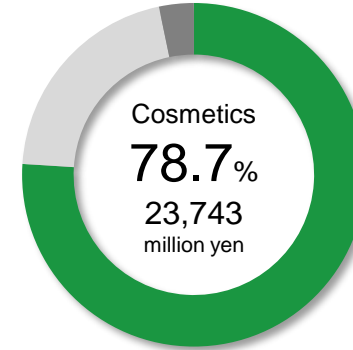


Composition of net sales in the first half of fiscal 2022

Cosmetics	Actual results year on year were increased sales and profits Self-selection cosmetics sold briskly
Pharmaceuticals & Health Food	Actual results year on year were decreased sales and increased profits Nutritional supplements performed firmly
Other	Actual results year on year were increased sales and profits Aviation-related business sales increased

The First Half of Fiscal 2022 Cosmetics

	1st half ended March 31, 2022 Millions of yen	1st half ended March 31, 2021 Millions of yen
Net sales	23,743	19,655
Segment income	5,435	5,123



Composition of net sales
in the first half of fiscal 2022

Face-to-face channel cosmetics

- Feeling the impact of COVID-19, sales of mainly makeup were sluggish, but high-end skincare products gave strong showing
- New aging skincare serum *Noevir SERUMUNE* contributed to sales

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 increased sales with a contribution from new products in the *NOV L&W* skincare line

Overseas and OEM business sales

- Increased sales overseas
- OEM in line with the previous year



Noevir SERUMUNE

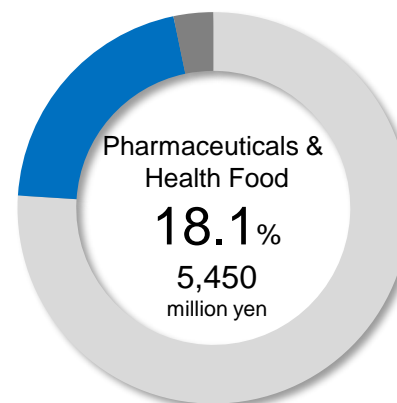


Nameraka Honpo skincare brand

The First Half of Fiscal 2022 Pharmaceuticals & Health Food

	1st half ended March 31, 2022 Millions of yen	1st half ended March 31, 2021 Millions of yen
Net sales	5,450	5,359
Segment income	766	691

- Actual sales decreased and profits increased due to sluggish sales of drinks, etc., despite firm performance from nutritional supplements and cough drops



Composition of net sales
in the first half of fiscal 2022



Noevir *WEIGHT BALANCE*
<Foods with Function Claims>

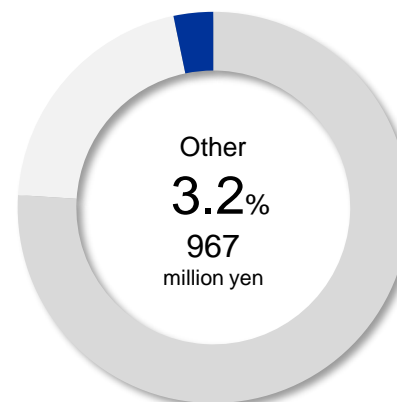


Nanten Nodo Ame
cough drop brand

The First Half of Fiscal 2022 Other

	1st half ended March 31, 2022 Millions of yen	1st half ended March 31, 2021 Millions of yen
Net sales	967	845
Segment income	166	87

- Apparel-related business in line with the previous year
- Aviation-related business sales increased



Composition of net sales
in the first half of fiscal 2022

The First Half of Fiscal 2022 Balance Sheets

(Millions of yen)

	Previous year (As of March 31, 2021)	As of March 31, 2022
Current assets	47,136	46,441
Cash and cash equivalents	26,994	27,295
Notes and accounts receivable	9,568	9,040
Non-current assets	29,589	27,913
Property, plant and equipment	22,738	21,586
Buildings and structures, net	5,459	5,164
Equipment and vehicles, net	1,380	1,115
Intangible assets	419	444
Investments and other assets	6,432	5,882
Investment securities	2,186	2,397
Total assets	76,726	74,354
Current liabilities	9,193	10,450
Long-term liabilities	20,002	16,176
Guarantee deposits received	12,650	12,205
Total liabilities	29,196	26,626
Shareholders' equity	45,979	45,692
Common stock	7,319	7,319
Retained earnings	38,661	38,375
Total net assets	47,530	47,728
Total liabilities and net assets	76,726	74,354
Equity ratio	61.5%	63.7%

Points of B/S

- Balance of net cash and deposits
Cash and cash equivalents
– Guarantee deposits received
=15.0 billion yen
(+700 million yen year on year)
- Equity ratio 63.7%

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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 2022

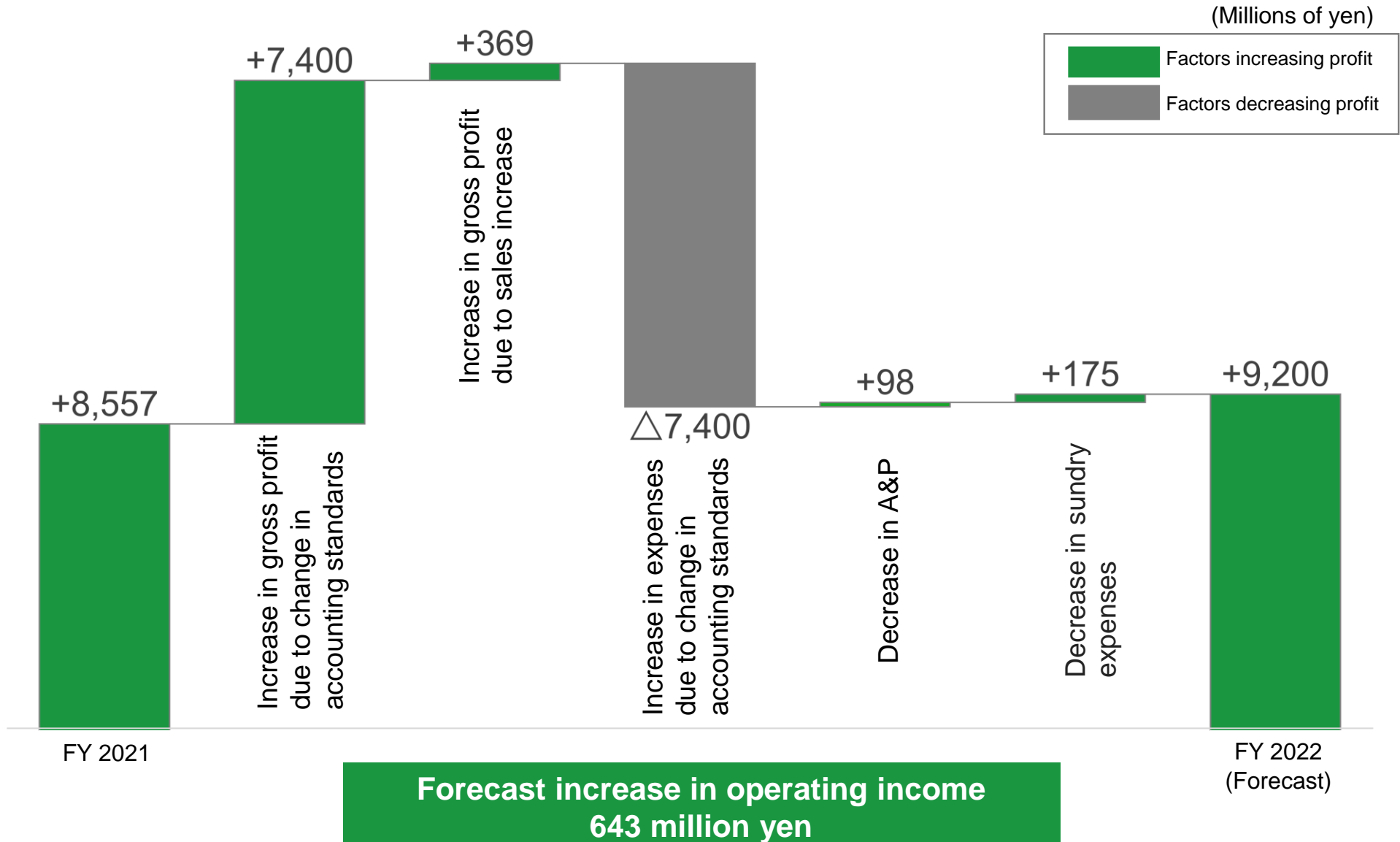
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Fiscal 2022 Forecasts

	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
1st Half Results	30,161	5,229	5,327	2,982
2nd Half Forecasts	28,338	3,970	4,072	3,517
Full Year Forecasts (A)	58,500	9,200	9,400	6,500
Fiscal 2021 Results (B)	51,272	8,557	8,972	6,383
Difference (A-B)	7,227	642	427	116
Change	14.1%	7.5%	4.8%	1.8%
2nd Half Forecast (C)	28,338	3,970	4,072	3,517
Fiscal 2021 2nd Half Results (D)	25,412	4,028	4,346	4,379
Difference (C-D)	2,925	△ 57	△ 273	△ 861
Change	11.5%	△1.4%	△6.3%	△19.7%



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

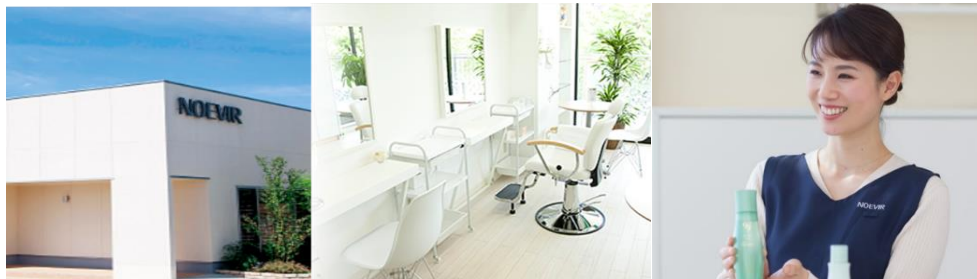
Face-to-face channel cosmetics

Noevir

Focus on based on face-to face sales

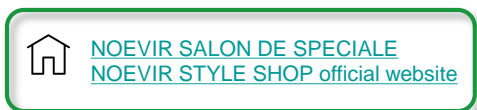
NOEVIR Beauty Studios salons

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



Directly-managed NOEVIR SALON DE SPECIALE stores and NOEVIR Style

- 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

A reborn intensive brightening serum from in-depth research on brightening using two types of brightening active ingredients

Noevir BIOSIGN BLANC BEAUTE
19,800 yen (tax inclusive)
On sale May 2022



Self-selection cosmetics

Sales relaunched for *Nameraka Honpo* skincare brand *Moisture* skincare line
Acquire a wide array of customers and further expand earnings



Brightening skincare line



Aging Care skincare line



Haritsuya skincare line

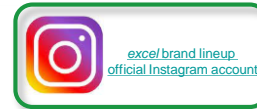


Moisture skincare line

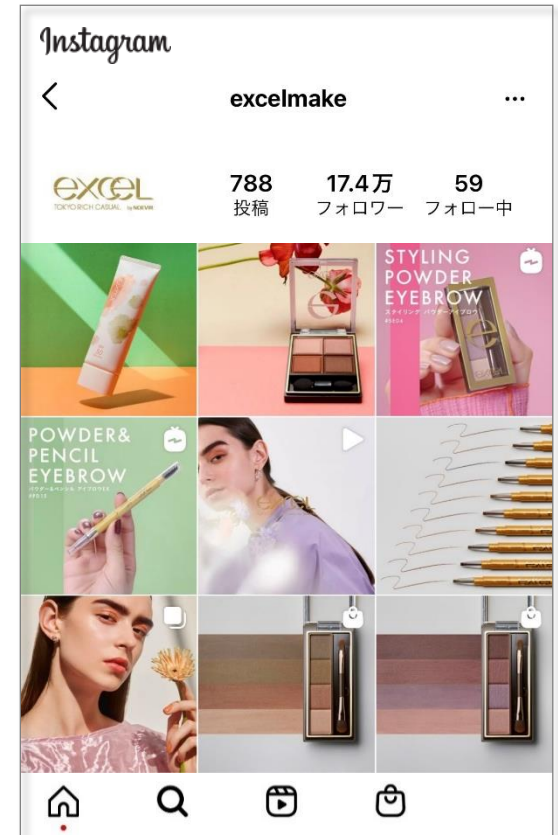
Self-selection cosmetics

excel brand

Sell and focus on sales expansion of attractive new products



excel powder & pencil eyebrow
New colors launched March 2022



excel brand lineup
official Instagram account

Self-selection cosmetics

NOV brand
Focus on Expanding Sales of Mainstay Series



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



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



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

- 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, etc.

南天のと館



Nanten Nodo Ame
cough drop brand

Health Food

- Promotional campaign online and in social media for *Min Min Da Ha* functional drink brand
- Focus on expanding sales of nutritional supplements

眠眠
打破
MIN MIN DA HA



Min Min Tansan PINK
PASSION functional drink



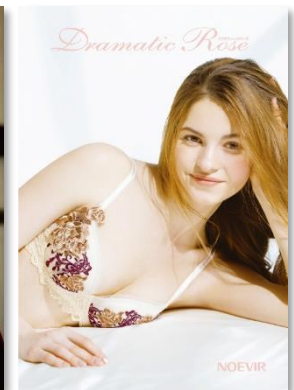
Healthy Honey Apple
Vinegar

➤ Improve Profitability

Apparel business

Launch new products

NOEVIR

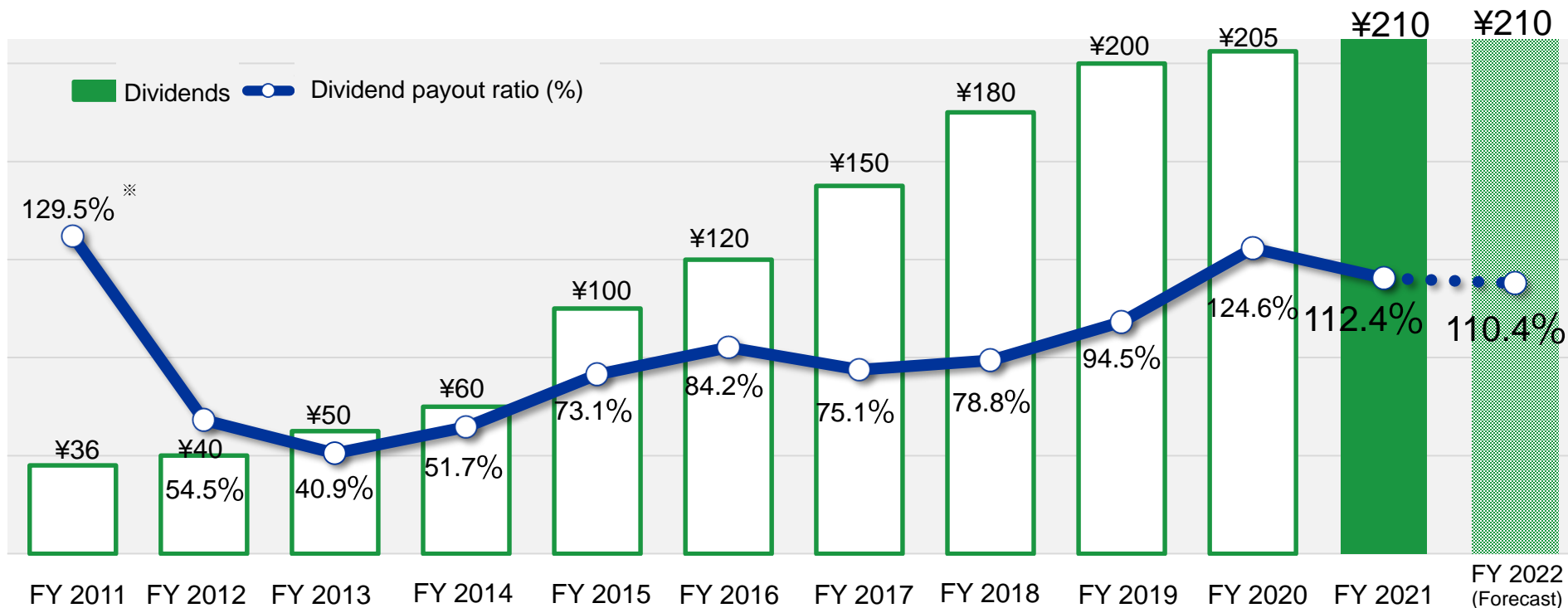


Aviation-related business

Continue responding
carefully

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

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