



Noevir Co., Ltd. Public & Investor Relations  
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January 28, 2011

## Noevir Announces 2011 First Quarter Consolidated Results

### Noevir Co., Ltd.

Listing: Tokyo Stock Exchange, Second Section (Code Number: 4916)  
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Submission of Quarterly Business Report: February 3, 2011

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 20, 2011

(From September 21 – December 20, 2010)

\* 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 20, 2010	13,131 [-8.3%]	1,413 [-27.3%]	1,509 [-25.7%]
First quarter ended December 20, 2009	14,327 [-10.1%]	1,944 [-28.3%]	2,030 [-28.2%]

	Net income	EPS (Yen)	Diluted EPS (Yen)
First quarter ended December 20, 2010	743 [-21.3%]	18.00	--
First quarter ended December 20, 2009	945 [-28.2%]	22.87	--

##### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
First quarter ended December 20, 2010	88,444	51,252	57.9	1,239.82
Year ended September 20, 2010	88,796	52,011	58.6	1,258.20

[Reference] Equity

First quarter ended December 20, 2010: 51,232 million yen

Year ended September 20, 2010: 51,992 million yen

#### 2. Cash dividends

(Yen)

(Cut-off date)	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Full year
Year ended September 20, 2010	--	0.00	--	36.00	36.00
Year ending September 20, 2011	--				
Year ending September 20, 2011 (forecast)	--	0.00	--	36.00	36.00

Note: Revision to quarterly dividend forecast: None

3. Consolidated earnings forecasts for the fiscal year ending September 20, 2011  
(September 21, 2010 – September 20, 2011)

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

	Net Sales	Operating income	Ordinary income	Net income	EPS (Yen)
Half year (aggregate)	25,600 [-4.4%]	2,000 [-6.3%]	2,100 [-7.9%]	900 [-19.7%]	21.78
Full year	51,000 [-3.0%]	2,700 [-3.0%]	3,000 [-2.8%]	1,500 [-4.2%]	36.30

Note: Revision to quarterly consolidated performance forecast: None

4. Other (For further details, please refer to “Other Information” on page 6 of “Attached Material”)

(1) Significant changes in subsidiaries during period: None

Note: Significant change in special purpose subsidiaries resulting in change in scope of consolidation for the reporting period.

(2) Simplified accounting treatment or special accounting treatment for preparation of quarterly consolidated financial statements: Yes

Note: Application of simplified and specific accounting procedures in the preparation of quarterly financial statements.

(3) Changes in accounting principles, procedures, disclosure methods, etc.

1) Changes associated with revision in accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of quarterly consolidated financial statements listed under “Changes to the Basis of Presenting Quarterly Consolidated Financial Statements.”

(4) Shares outstanding (common stock)

1) Shares outstanding (including treasury stock)

First quarter ended December 20, 2010: 41,337,487

Year ended September 20, 2010: 41,337,487

2) Treasury shares outstanding

First quarter ended December 20, 2010: 14,627

Year ended September 20, 2010: 14,627

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

First quarter ended December 20, 2010: 41,322,860

First quarter ended December 20, 2009: 41,322,860

\*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. Please refer to “(3) Qualitative information regarding consolidated business forecast” under “1. Qualitative information regarding quarterly consolidated business performance” on page 5 of the Attached Material.

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# 1. Qualitative information regarding quarterly consolidated business performance

## (1) Qualitative information regarding consolidated business performance

Consolidated operating results for the reporting first quarter (September 21 to December 20, 2010)

(Millions of yen)

	First quarter ended December 20, 2010	
	Sales	% of total sales
Cosmetics	9,251	70.4
Pharmaceuticals & Health Food	3,597	27.4
Other	282	2.2
Total sales	13,131	100.0

	First quarter ended December 20, 2009		First quarter ended December 20, 2010		Increase (decrease)	Year on Year (%)
	Amount	% of total sales	Amount	% of total sales		
Operating income	1,944	13.6	1,413	10.8	(530)	(27.3)
Ordinary income	2,030	14.2	1,509	11.5	(520)	(25.7)
Net income	945	6.6	743	5.7	(201)	(21.3)

During the first quarter of fiscal 2011 (September 21-December 20, 2010) consumer sentiment in Japan continued to seesaw, as signs of recovery in corporate earnings and gradually improving incomes were offset by stagnation in the employment market.

In the cosmetics market, the Group's principal business field, competition steadily intensified despite signs that market shrinkage in Japan had stopped.

During the quarter under review, we posted sales of 13,131 million yen (down 8.3% year on year) on a consolidated basis, operating income of 1,413 million yen (down 27.3%), ordinary income of 1,509 million yen (down 25.7%) and net income of 743 million yen (down 21.3%).

In the Cosmetics segment, sales cosmetics sold through individual consultation were down noticeably year on year, particularly for higher-priced skincare products, but self-selection cosmetics continued to hold up well. As a result, sales in the Cosmetics segment totaled 9,251 million yen, and operating income was 1,898 million yen.

In the new, combined Pharmaceuticals & Health Food segment, a sound sales performance was supported by a nutritional supplement lineup that fully kept pace with changing consumer preferences. However, energy and functional drink sales were down year on year. As a result of the foregoing, sales in the Pharmaceuticals & Health Food segment totaled 3,597 million yen, but the segment posted an operating loss of 87 million yen.

In the Other segment, our North American subsidiary's aviation business staged a recovery in performance on a year-on-year basis, but was unable to improve earnings. As a result, sales in the Other segment came in at 282 million yen, and it posted an operating loss of 14 million yen.

As Noevir holds a "Skincare Cosmetics Fair" twice a year — in summer and in winter, both lasting two months — sales and income tend to be higher in the first quarter (September 21-December 20) and the third quarter (March 21-June 20).

## (2) Qualitative information regarding consolidated financial position

The Company's total assets at the end of the first quarter stood at 88,444 million yen, down 352 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease in property, plant and equipment due to lower capital investment, causing a 278 million yen decline in non-current assets.

Liabilities came to 37,192 million yen, up 407 million yen from the previous term-end. This was primarily due to an increase in "other" liabilities in current liabilities over the previous term-end.

Net assets stood at 51,252 million yen, down 759 million yen from the previous term-end. This was principally due to a 743 million yen decline from the previous term-end in retained earnings resulting from the payment of dividends.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis at the reporting term-end decreased 3,139 million yen over the previous term-end (36,362 million yen), to 33,222 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 254 million yen (a decrease of 762 million yen year-on-year). This was mainly due to posting of income before income taxes of 1,395 million yen and a depreciation expense of 419 million yen.

(Cash flows from investing activities)

Net cash used in investing activities came to 2,183 million yen (a year-on-year increase of 1,933 million). This was primarily due to a cash outflow of 2,500 million yen into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 1,184 million yen (an increase of 55 million yen year on year). This was attributable to the payment of 1,184 million yen in dividends.

(3) Qualitative information regarding consolidated business performance forecast

We see no reason to revise our fiscal 2011 first-half and full-term business performance forecasts released on October 29, 2010.

## 2. Other information

### (1) Overview of significant changes in subsidiaries

Not applicable.

### (2) Overview of simplified accounting treatment or special accounting treatment

#### (Simplified accounting treatment)

##### 1) Valuation of inventory assets

The value of inventories at the end of the quarter under review is calculated using a rational method, based on physical inventories at the end of the previous fiscal year, rather than physical inventories at the end of the quarter under review.

##### 2) Depreciation of property, plant and equipment

The periodical allocation method is employed for the calculation of depreciation expenses for the reporting period on property, plant and equipment to which the declining-balance method is applied.

##### 3) Calculation of income taxes and deferred tax assets and liabilities

The Company has employed a simplified method for the calculation of income taxes levied on overseas subsidiaries and on domestic subsidiaries with immaterial impact on consolidated earnings. Under this system, adjustments to consolidated performance and tax reductions are limited to material items.

Regarding judgments on the recoverability of deferred tax assets, the Company has employed forecasts for the future business performance and the tax planning used in the previous fiscal year, since it was considered that there had been no significant changes in the business environment and that the possibility of occurrence of temporary differences during the reporting 3-month period was low.

#### (Special accounting treatment)

Not applicable.

### (3) Overview of changes in accounting principles, procedures, disclosure methods, etc.

#### 1) Application of accounting standard for asset retirement obligations

From the first quarter of the reporting period under review, the Company has applied the Accounting Standards for Asset Retirement Obligations (ASBJ Statement No. 18, issued on March 31, 2008) and Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21, issued on March 31, 2008).

As a result, operating income and ordinary income each declined by 4,890 thousand yen, while income before income taxes declined by 129,667 thousand yen.

#### 2) Changes in disclosure method

Although "Commitment fee" was included in "Other" under "Non-operating expenses" in the previous first quarter, it was presented as a new category in the first quarter of fiscal 2011 because it exceeded one-fifth of total non-operating expenses. The Commitment fee included in "Other" under "Non-operating expenses" in the previous first quarter amounted to 3,677 thousand yen.

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

(Thousands of yen)

	First quarter ended December 2010	Year ended September 2010
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	36,722,124	37,362,030
Notes and accounts receivable	11,954,735	11,023,886
Securities	--	500,000
Merchandise and finished goods	6,443,546	6,470,848
Work in progress	311,434	297,615
Raw materials and purchased supplies	1,551,304	1,697,635
Deferred tax assets	1,780,801	1,659,337
Other receivables	1,803,497	1,796,886
Other	642,034	491,800
Allowance for doubtful accounts	(78,417)	(95,834)
Total current assets	61,131,060	61,204,208
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	6,162,079	6,230,321
Equipment and vehicles, net	982,664	1,016,232
Land	14,330,058	14,330,058
Lease assets, net	23,745	23,611
Construction in progress	18,973	35,243
Other, net	460,179	491,267
Total plant, property and equipment	21,977,700	22,126,734
Intangible assets		
Goodwill	3,670	4,556
Software	1,292,196	1,345,690
Other	111,389	159,931
Total intangible assets	1,407,256	1,510,178
Investments and other assets		
Investment securities	513,586	456,824
Long-term loans	3,286	3,384
Deferred tax assets	2,227,949	2,126,342
Other	1,389,301	1,575,587
Allowance for doubtful accounts	(205,364)	(206,402)
Total investments and other assets	3,928,759	3,955,736
<b>Total non-current assets</b>	27,313,716	27,592,648
<b>Total assets</b>	88,444,776	88,796,857

(Thousands of yen)

	First quarter ended December 2010	Year ended September 2010
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	4,614,467	5,258,389
Lease obligations	6,114	5,791
Other accounts payable	3,846,593	4,039,531
Income tax payable	952,259	485,019
Deferred tax liabilities	6	6
Reserve for bonuses	200,346	361,191
Reserve for product returns	1,292,545	1,246,929
Other	1,779,366	810,130
Total current liabilities	12,691,699	12,206,989
<b>Long-term liabilities</b>		
Lease obligations	18,801	18,983
Reserve for employees' retirement benefits	5,178,286	5,084,432
Guarantee deposits received	18,986,472	19,230,372
Other	316,958	244,165
Total long-term liabilities	24,500,519	24,577,954
Total liabilities	37,192,218	36,784,944
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319,431	7,319,431
Additional paid-in capital	6,809,366	6,809,366
Retained earnings	37,562,076	38,305,907
Treasury stock	(21,326)	(21,326)
Total shareholders' equity	51,669,548	52,413,379
<b>Valuation and translation adjustments</b>		
Net unrealized gain (loss) on other securities	64,292	28,087
Foreign currency translations adjustments	(500,865)	(448,867)
Total valuation/translation adjustments	(436,572)	(420,780)
Minority interests	19,582	19,313
<b>Total net assets</b>	51,252,558	52,011,912
<b>Total liabilities &amp; net assets</b>	88,444,776	88,796,857



## (2) Quarterly consolidated statements of income

(Thousands of yen)

	First quarter ended December 2009	First quarter ended December 2010
<b>Net sales</b>	14,327,330	13,131,532
<b>Cost of sales</b>	4,429,105	4,350,005
Gross profit	9,898,224	8,781,526
<b>Selling, general and administrative expenses</b>	7,953,863	7,368,109
Operating income	1,944,361	1,413,416
<b>Non-operating income</b>		
Interest income	7,108	7,835
Dividend income	3,956	4,022
Insurance premiums	41,157	26,276
Other	72,067	70,339
Total	124,290	108,474
<b>Non-operating expenses</b>		
Loss on currency translation	34,587	6,427
Commitment fee	--	3,676
Other	3,923	2,428
Total	38,511	12,532
Ordinary income	2,030,140	1,509,357
<b>Extraordinary income</b>		
Gain on sale of fixed assets	157	--
Reversal of allowance for doubtful accounts	--	17,269
Reversal of allowance for losses on guarantees	907	--
Total	1,065	17,269
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	390	5,899
Loss on valuation of investment securities	223,471	759
Loss on adjustment for changes of accounting standard for asset retirement obligations	--	124,776
Total	223,861	131,435
<b>Income before income taxes</b>	1,807,343	1,395,191
<b>Income taxes—basic</b>	1,001,506	894,826
<b>Income taxes—deferred</b>	(137,872)	(244,378)
<b>Total</b>	863,633	650,448
<b>Income before minority interests</b>	--	744,742
<b>Minority interests</b>	(1,356)	950
<b>Net income</b>	945,067	743,791

## (3) Quarterly consolidated statements of cash flows

(Thousands of yen)

	First quarter ended December 2009	First quarter ended December 2010
<b>Cash flows from operating activities</b>		
Income before income taxes	1,807,343	1,395,191
Depreciation	454,189	419,487
Amortization of goodwill	2,118	885
Increase (decrease) in reserve for doubtful accounts	(27,217)	(18,308)
Increase (decrease) in reserve for bonuses	(83,406)	(160,769)
Increase (decrease) in reserve for product returns	203,855	45,631
Increase (decrease) in reserve for retirement benefits	163,751	93,853
Increase (decrease) in allowance for losses on guarantees	(907)	--
Interest and dividends received	(11,065)	(11,858)
Gain/loss on currency translation	28,056	5,021
Gain/loss on valuation of marketable and investment securities	223,471	759
Gain/loss on sales of property, plant and equipment	232	5,899
Loss on adjustment for changes of accounting standard for asset retirement obligations	--	124,776
Decrease (increase) in trade receivables	(1,184,934)	(932,451)
Decrease (increase) in inventories	(80,797)	130,923
Increase (decrease) in trade payables	(320,415)	(650,483)
Increase (decrease) in guarantee deposits	(156,200)	(243,900)
Other	548,225	507,265
Subtotal	1,566,301	711,924
Interest and dividends received	8,753	8,125
Income tax paid	(557,882)	(465,673)
Net cash provided by operating activities	1,017,171	254,376
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	--	(2,500,000)
Proceeds from redemption of investment securities	--	500,000
Purchase of investment securities	--	(450)
Purchase of property, plant and equipment	(251,930)	(171,261)
Proceeds from sale of property, plant and equipment	1,000	374
Purchase of intangible assets	--	(12,548)
Proceeds from sale of intangible assets	137	--
Proceeds from collection of long-term loans	203	96
Net cash provided by (used in) investing activities	(250,590)	(2,183,789)
<b>Cash flows from financing activities</b>		
Cash dividends paid	(1,128,787)	(1,184,235)
Net cash used in financing activities	(1,128,787)	(1,184,235)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(24,492)	(26,257)
<b>Net change in cash and cash equivalents</b>	(386,699)	(3,139,906)
<b>Cash and cash equivalents, beginning of year</b>	35,579,974	36,362,030
<b>Cash and cash equivalents, end of year</b>	35,193,275	33,222,124

(4) Note on assumptions for going concern  
Not applicable

(5) Segment information

(Business segment information)

Consolidated results for the previous first quarter (September 21 to December 20, 2009)

(Thousands of yen)

	Cosmetics	Pharmaceuticals	Health Food	Other	Total	Elimination/ corporate	Consolidation
Net Sales							
(1) Sales, external	10,491,349	1,800,222	1,855,222	180,535	14,327,330	--	14,327,330
(2) Sales, within group	--	--	--	35,787	35,787	(35,787)	--
Total	10,491,349	1,800,222	1,855,222	216,322	14,363,117	(35,787)	14,327,330
Operating income (loss)	2,475,495	(104,339)	50,621	(25,150)	2,396,626	(452,264)	1,944,361

Note: Noevir business is segmented by categories for control of in-house organization.

Products in each segment include:

(Cosmetics)	Cosmetics, quasi-drug cosmetics
(Pharmaceuticals)	OTC Pharmaceuticals, excluding quasi-drug cosmetics
(Health Food)	Food products, nutritional supplements
(Other)	Apparel, cosmetic accessories, aviation business, etc.

(Geographic segment information)

For the previous first quarter (September 21 to December 20, 2009)

The Group's segment information on a geographic basis has not been disclosed, because overseas sales accounted for less than 10% of total operations on a consolidated basis.

(Overseas sales)

Consolidated results for the previous first quarter (September 21 to December 20, 2009)

The Group's consolidated results have not been disclosed, because overseas sales comprised less than 10% of net sales.

(Segment Information)

(1) Reportable segments

The Company's reportable segments are the subject of regular management review, for the purposes of decision-making for resource allocation and performance evaluation by the Board of Directors, in as much as financial information relating to individual units of the Company are available.

The Company engages principally in the manufacture and marketing of cosmetics, pharmaceuticals and health foods, as well as operating other businesses including aviation-related businesses.

Because the Company and Group companies manufacture and market many different products, we draw up comprehensive strategic plans for, and tailor business operations to, particular categories of product.

Accordingly, the Cosmetics segment and the Pharmaceuticals & Health Food segment form the two principal segments of the Company, reflecting its major product categories.

The Cosmetics segment manufactures and markets cosmetics products.

The Pharmaceuticals & Health Food segment manufactures and markets pharmaceuticals, health food products, and nutritional supplements.

In the Other segment, we mainly operate aviation-related businesses.

(2) Sales and income (loss) data, by reporting segment

First quarter of fiscal 2011 (September 21, 2010 to December 20, 2010)

(Thousands of yen)

	Cosmetics	Pharmaceuticals & Health Food	Other	Total	Adjustment (Note 1)	Amounts included in quarterly consolidated statements of income (Note 2)
Net Sales						
(1) Sales, external	9,251,391	3,597,245	282,894	13,131,532	--	13,131,532
(2) Intersegment sales	--	--	40,284	40,284	(40,284)	--
Total	9,251,391	3,597,245	323,179	13,171,816	(40,284)	13,131,532
Segment income (loss)	1,898,958	(87,260)	(14,758)	1,796,940	(383,523)	1,413,416

(Note 1) Intersegment eliminations totaling 14,372 thousand yen and unallocated corporate expenses totaling 397,896 thousand yen have been included in the segment income (loss) adjusted amount totaling (383,523 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.

(Additional information)

Starting in the quarter under review, we have applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.17, issued on March 27, 2009), and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued on March 21, 2008).

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

Not applicable.