

# NOEVIR HOLDINGS

Noevir Holdings Co., Ltd. Public & Investor Relations  
7-6-15 Ginza Chuo-ku, Tokyo 104-8208, Japan

July 29, 2011

## Noevir Holdings Announces 2011 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/>  
Representative: Takashi Okura, President and Representative Director  
Contact: Mitsuyoshi Hanyu, General Manager, Accounting Department  
Tel. +81-78-303-5121

Submission of Quarterly Business Report: August 4, 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 30, 2011

(March 22, 2011 – June 21, 2011)

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

\* Noevir Holdings Co., Ltd. was newly established as a holding company through the sole transfer of Noevir Co., Ltd. shares on March 22, 2011. As a result, a comparative analysis and details of the increase or decrease of operating results and financial position compared with the corresponding period of the previous fiscal year have not been undertaken or provided.

#### (1) Consolidated operating results

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

	Net sales	Operating income	Ordinary income
First quarter ended June 21, 2011	13,136 —%	1,752 —%	1,765 —%

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

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
As of June 21, 2011	87,983	51,969	59.0%	1,257.08

[Reference] Equity

As of June 21, 2011: 51,946 million yen

### 2. Cash dividends

(Yen)

	Annual dividends			
	1st quarter	2nd quarter	Year-end	Full year
Year ending September 30, 2011	—			
Year ending September 30, 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 30, 2011  
(March 22, 2011 – September 30, 2011)

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

	Net Sales	Operating income	Ordinary income	Net income	EPS (Yen)
Full year	23,500 — %	700 — %	800 — %	400 — %	9.68

Note: Revision to quarterly consolidated performance forecast: None

4. Other (For further details, please refer to “2. 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)

As of June 21, 2011: 41,322,860

2) Treasury shares outstanding

As of June 21, 2011: 20

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

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

## Contents of the Attached Material

1. Qualitative information regarding quarterly consolidated business performance.....	4
(1) Qualitative information regarding consolidated business performance.....	4
(2) Qualitative information regarding consolidated financial position.....	5
(3) Qualitative information regarding consolidated business performance forecast.....	5
2. Other information.....	6
(1) Overview of significant changes in subsidiaries.....	6
(2) Overview of simplified accounting treatment or special accounting treatment.....	6
(3) Overview of changes in accounting principles, procedures, disclosure methods, etc. ....	6
3. Quarterly consolidated financial statements.....	7
(1) Quarterly consolidated balance sheets.....	7
(2) Quarterly consolidated statements of income.....	9
(3) Quarterly consolidated statements of cash flows.....	10
(4) Note on assumptions for going concern.....	11
(5) Segment information.....	11
(6) Note on significant changes in the amount of shareholders' equity.....	11

1. Qualitative information regarding quarterly consolidated business performance

(1) Qualitative information regarding consolidated business performance

Consolidated operating results for the reporting first quarter (March 22, 2011 to June 21, 2011)

(Millions of yen)

	<b>First quarter ended June 21, 2011</b>	
	Sales	% of total sales
Cosmetics	<b>9,682</b>	<b>73.7</b>
Pharmaceuticals & Health Food	<b>2,793</b>	<b>21.3</b>
Other	<b>660</b>	<b>5.0</b>
Total sales	<b>13,136</b>	<b>100.0</b>

	<b>First quarter ended June 21, 2011</b>	
	Amount	% of total sales
Operating income	<b>1,752</b>	<b>13.3</b>
Ordinary income	<b>1,765</b>	<b>13.4</b>
Net income	<b>961</b>	<b>7.3</b>

Taking into consideration the first three months (March 22, 2011 to June 21, 2011) of fiscal 2011, the six-month period ending September 30, 2011, the future of the Japanese economy is shrouded in uncertainty due mainly to the damage to the nation's infrastructure, due to damage caused by the Great East Japan Earthquake, and shortages in the supply of electric power owing to incidents at certain nuclear power generation plants.

Under these circumstances, net sales for the three-month period ended June 21, 2011 amounted to 13,136 million yen. From a profit perspective, operating income was 1,752 million yen, ordinary income 1,765 million yen and net income 961 million yen.

In the Cosmetics segment, the Company released a whitening lotion sold through individual consultation. In its self-selection cosmetic range, the Company renewed several mainstay brands. Accounting for these factors, sales in the Cosmetics segment totaled 9,682 million yen.

In the Pharmaceuticals & Health Food segment, the Company was active in implementing sales promotion initiatives at stores. These efforts helped generate segment sales of 2,793 million yen.

Sales in the Other segment totaling 660 million yen mainly represented contributions from the aviation-related business of the Company's North American subsidiary.

Sales and income from cosmetics sold through individual consultation tend to be higher in the three month period from March 22 to June 30. 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. Six months ended March 20, 2011		Noevir Co., Ltd. Nine months ended June 20, 2010	
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales
Net sales	24,493	100.0	40,467	100.0
Operating income	1,296	5.3	3,781	9.3
Ordinary income	1,438	5.9	4,007	9.9
Net income	533	2.2	2,117	5.2

Note: Loss due to the disaster: For the six months ended March 20, 2011, Noevir Co., Ltd. brought to account an estimated loss of 51 million yen representing projected losses incurred as a result of the Great East Japan Earthquake that struck Japan on March 11, 2011. As of June 21, 2011, the actual amount of loss totaled 38 million yen. Accordingly, the Company posted extraordinary income of 13 million yen representing an adjustment to the loss on disaster for the three months ended June 21, 2011.

(Regarding reference information)

Noevir Holdings Co., Ltd. was established on March 22, 2011 as the parent company of Noevir Co., Ltd.

through the transfer of shares. Accordingly, this Quarterly Financial Report covers the first three-month period from March 22, 2011 to June 21, 2011 and does not include the consolidated operating results of Noevir Co., Ltd. prior to the Company's establishment.

On this basis, financial data for the first half (September 21, 2010 to March 20, 2011) and third quarter cumulative (September 21, 2009 to June 20, 2010) of the fiscal year ended September 20, 2010 of Noevir Co., Ltd. has been provided for comparative purposes with the full fiscal year and previous fiscal year, respectively.

(2) Qualitative information regarding consolidated financial position

Total assets as of June 21, 2011 stood at 87,983 million yen. Liabilities came to 36,013 million yen and net assets amounted to 51,969 million yen. Accounting for these factors, the equity ratio was 59.0 percent.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter "cash") on a consolidated basis for the period under review stood at 35,250 million yen.

The status of each cash flow together with the factors contributing to an increase or decrease for the three months ended June 21, 2011 are presented as follows

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,775 million yen. The major components were income before income taxes of 1,825 million yen and depreciation expense totaling 451 million yen.

(Cash flows from investing activities)

Net cash used in investing activities came to 61 million yen. The principal cash outflow was 79 million yen due to purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was 1 million yen. The primary component was cash dividends paid of 1 million yen.

(3) Qualitative information regarding consolidated business performance forecast

The consolidated business performance forecast for the full term ending September 30, 2011 announced on July 8, 2011 remains unchanged.

## 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 as of the end of the period under review is calculated using a rational method based on consolidated subsidiary physical inventories as of March 20, 2011 rather than physical inventories as of June 21, 2011.

#### 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 consolidated subsidiaries used in the previous fiscal year; for those cases where 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 6-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, ordinary income and income before income taxes each declined 14,520 thousand yen

#### 2) Application of accounting standards for business combinations

Effective from the period under review, the Company adopted the Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued on December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on December 26, 2008), Partial Amendments to the Accounting Standard for Research and Development Costs (ASBJ Statement No. 23, amended on December 26, 2008), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 issued on December 26, 2008), the Accounting Standard for the Equity Method of Accounting (ASBJ Statement No. 16 issued on December 26, 2008) and the Guidance on the Accounting Standard for Business Combinations and the Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 issued on December 26, 2008).

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

(Thousands of yen)

	First quarter ended June 21, 2011
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	37,776,015
Notes and accounts receivable	11,446,241
Merchandise and finished goods	6,255,614
Work in progress	273,939
Raw materials and purchased supplies	1,630,532
Deferred tax assets	1,738,781
Other receivables	2,008,757
Other	634,519
Allowance for doubtful accounts	(77,531)
Total current assets	61,686,868
<b>Non-current assets</b>	
Property, plant and equipment	
Buildings and structures, net	5,859,290
Equipment and vehicles, net	947,706
Land	13,973,091
Lease assets, net	26,213
Construction in progress	8,145
Other, net	391,712
Total property, plant and equipment	21,206,159
Intangible assets	
Goodwill	1,898
Software	1,019,069
Other	108,047
Total intangible assets	1,129,015
Investments and other assets	
Investment securities	436,068
Long-term loans	3,091
Deferred tax assets	2,350,665
Other	1,321,921
Allowance for doubtful accounts	(150,517)
Total investments and other assets	3,961,228
Total non-current assets	26,296,403
<b>Total assets</b>	<b>87,983,271</b>

(Thousands of yen)

	<b>First quarter ended June 21, 2011</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities</b>	
Notes and accounts payable	<b>4,610,247</b>
Lease obligations	<b>7,238</b>
Other accounts payable	<b>3,466,969</b>
Income tax payable	<b>1,362,984</b>
Deferred tax liabilities	<b>6</b>
Reserve for bonuses	<b>185,876</b>
Reserve for product returns	<b>1,170,610</b>
Other	<b>1,150,102</b>
Total current liabilities	<b>11,954,035</b>
<b>Long-term liabilities</b>	
Lease obligations	<b>20,259</b>
Reserve for employees' retirement benefits	<b>5,171,562</b>
Guarantee deposits received	<b>18,631,872</b>
Other	<b>235,820</b>
Total long-term liabilities	<b>24,059,515</b>
<b>Total liabilities</b>	<b>36,013,551</b>
<b>NET ASSETS</b>	
<b>Shareholders' equity</b>	
Common stock	<b>7,319,000</b>
Additional paid-in capital	<b>6,809,798</b>
Retained earnings	<b>38,291,901</b>
Treasury stock	<b>(17)</b>
Total shareholders' equity	<b>52,420,682</b>
<b>Valuation and translation adjustments</b>	
Net unrealized gain (loss) on other securities	<b>19,913</b>
Foreign currency translation adjustments	<b>(494,432)</b>
Total valuation / and translation adjustments	<b>(474,518)</b>
<b>Minority interests</b>	<b>23,556</b>
<b>Total net assets</b>	<b>51,969,720</b>
<b>Total liabilities and net assets</b>	<b>87,983,271</b>



## (2) Quarterly consolidated statements of income

(Thousands of yen)

	<b>First quarter ended June 21, 2011</b>
<b>Net sales</b>	<b>13,136,031</b>
<b>Cost of sales</b>	<b>4,481,196</b>
Gross profit	<b>8,654,834</b>
<b>Selling, general and administrative expenses</b>	<b>6,901,891</b>
Operating income	<b>1,752,943</b>
<b>Non-operating income</b>	
Interest income	<b>5,202</b>
Dividend income	<b>259</b>
Lease income	<b>13,619</b>
Other	<b>35,092</b>
Total	<b>54,173</b>
<b>Non-operating expenses</b>	
Loss on currency translation	<b>7,319</b>
Amortization of inaugural expenses	<b>32,971</b>
Other	<b>1,802</b>
Total	<b>42,093</b>
Ordinary income	<b>1,765,023</b>
<b>Extraordinary income</b>	
Gain on sale of investment securities	<b>4,700</b>
Reversal of allowance for doubtful accounts	<b>48,505</b>
Adjustment to the loss on disaster	<b>13,389</b>
Total	<b>66,595</b>
<b>Extraordinary losses</b>	
Loss on disposal of fixed assets	<b>5,546</b>
Loss on valuation of investment securities	<b>171</b>
Total	<b>5,717</b>
<b>Income before income taxes</b>	<b>1,825,901</b>
<b>Income taxes – basic</b>	<b>880,678</b>
<b>Income taxes – deferred</b>	<b>(18,051)</b>
<b>Total</b>	<b>862,627</b>
<b>Income before minority interests</b>	<b>963,274</b>
<b>Minority interests</b>	<b>1,593</b>
<b>Net income</b>	<b>961,681</b>

## (3) Quarterly consolidated statements of cash flows

(Thousands of yen)

	First quarter ended June 21, 2011
<b>Cash flows from operating activities</b>	
Income before income taxes	1,825,901
Depreciation	451,800
Amortization of goodwill	885
Increase (decrease) in reserve for doubtful accounts	(67,857)
Increase (decrease) in reserve for bonuses	(193,203)
Increase (decrease) in reserve for product returns	(6,314)
Increase (decrease) in reserve for retirement benefits	5,911
Interest and dividends received	(5,461)
Gain/loss on currency translation	1,145
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
Adjustment to the loss on disaster	(13,389)
Decrease (increase) in trade receivables	739,544
Decrease (increase) in inventories	222,311
Increase (decrease) in trade payables	145,173
Increase (decrease) in guarantee deposits	(233,300)
Other	(832,775)
Subtotal	2,041,389
Interest and dividends received	10,581
Income tax paid	(276,181)
Net cash provided by operating activities	1,775,788
<b>Cash flows from investing activities</b>	
Expenditure for deposit to time deposits	(2,501,189)
Proceeds from withdrawal of time deposits	2,500,000
Purchase of investment securities	(811)
Proceeds from sale of investment securities	13,400
Purchase of property, plant and equipment	(79,368)
Proceeds from sale of property, plant and equipment	6,925
Purchase of intangible assets	(770)
Proceeds from collection of long-term loans	96
Net cash provided by (used in) investing activities	(61,718)
<b>Cash flows from financing activities</b>	
Purchase of treasury stock	(17)
Cash dividends paid	(1,959)
Net cash used in financing activities	(1,977)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	8,274
<b>Net change in cash and cash equivalents</b>	1,720,368
<b>Cash and cash equivalents, beginning of year</b>	33,529,877
<b>Cash and cash equivalents, end of year</b>	35,250,246

- (4) Note on assumptions for going concern  
Not applicable

(5) Segment information  
(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

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

(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	9,682,105	2,793,290	660,635	13,136,031	—	13,136,031
(2) 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.

(Additional information)

Starting in the first quarter of the fiscal year 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

Noevir Holdings Co., Ltd. was established through the sole transfer of shares on March 22, 2011. As of the date of establishment, March 22, 2011, common stock and additional paid-in capital on the consolidated balance sheet were 7,319,000 thousand yen and 6,809,798 thousand yen, respectively. There has been no significant change in the amount of shareholders' equity compared with the establishment date.