

Aug 8, 2014

## Noevir Holdings Announces 2014 Third Quarter Consolidated Results (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange, First Section (Code Number: 4928)  
 URL: <http://www.noevirholdings.co.jp/>  
 Representative: Takashi Okura, President and CEO  
 Contact: Mitsuyoshi Hanyu, General Manager, Accounting  
 Tel. +81-78-303-5121

Submission of securities report: Aug 11, 2014  
 Date of commencement of dividend payments: –  
 Supplemental materials for the financial results prepared: None  
 Results briefing for the reporting period held: None

1. Operating results for the third quarter of the fiscal year ending September 30, 2014  
 (October 1, 2013 – June 30, 2014)

\* 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 |        | Net income |        |
|-----------------------------------|-----------|--------|------------------|--------|-----------------|--------|------------|--------|
| Third quarter ended June 30, 2014 | 36,611    | 4.7%   | 5,967            | (2.7)% | 6,135           | (2.9)% | 2,989      | (7.4)% |
| Third quarter ended June 30, 2013 | 34,964    | (2.2)% | 6,129            | 38.3%  | 6,320           | 36.9%  | 3,229      | 50.8%  |

Note: Comprehensive income:

Third quarter ended September 30, 2014: 3,077 million yen ((17.1)%)

Third quarter ended September 30, 2013: 3,713 million yen (67.6%)

|                                   | EPS (Yen) | Diluted EPS (Yen) |
|-----------------------------------|-----------|-------------------|
| Third quarter ended June 30, 2014 | 79.84     | —                 |
| Third quarter ended June 30, 2013 | 86.25     | —                 |

### (2) Consolidated financial position

(Millions of yen)

|                                   | Total assets | Net assets | Equity ratio (%) |
|-----------------------------------|--------------|------------|------------------|
| Third quarter ended June 30, 2014 | 86,821       | 53,483     | 62.7             |
| Year ended September 30, 2013     | 86,871       | 53,278     | 61.3             |

[Reference] Equity:

Third quarter ended June 30, 2014: 54,416 million yen    Year ended September 30, 2013: 53,221 million yen

## 2. Cash dividends

(Yen)

|   | Annual dividends |             |             |          |       |
|---|------------------|-------------|-------------|----------|-------|
|   | 1st quarter      | 2nd quarter | 3rd quarter | Year-end | Total |
| Year ended September 30, 2013             | —                | 0.00        | —           | 50.00    | 50.00 |
| Year ending September 30, 2014            | —                | 0.00        |             |          |       |
| Year ending September 30, 2014 (forecast) |                  |             | —           | 50.00    | 50.00 |

Note: Revisions from the most recently announced dividend forecast: None

## 3. Consolidated earnings forecasts for the fiscal year ending September 30, 2014 (October 1, 2013 – September 30, 2014)

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

|           | Net sales |      | Operating income |      | Ordinary income |      | Net income |      | EPS (Yen) |
|-----------|-----------|------|------------------|------|-----------------|------|------------|------|-----------|
| Full year | 48,000    | 3.2% | 7,800            | 7.6% | 8,000           | 6.0% | 4,900      | 7.0% | 130.87    |

Note: Revisions from the most recently announced consolidated earnings forecast: None

### \* Notes

(1) Significant changes in subsidiaries (scope of consolidation) during period: None

(2) Special accounting treatment for preparation of quarterly consolidated financial statements: None

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

1) Changes associated with revision in accounting standards: None

2) Other changes: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Shares outstanding (common stock)

1) Shares outstanding (including treasury stock)

As of June 30, 2014: 37,442,840

As of September 30, 2013: 37,442,840

2) Treasury shares outstanding

As of June 30, 2014: 113

As of September 30, 2013: 113

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

As of June 30, 2014: 37,442,727

As of June 30, 2013: 37,442,767

### \* Explanation regarding audit procedures

Preparation of the audit procedure is not subject to the provisions set forth in the Japanese Financial Instruments and Exchange Act. Accordingly, audit 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 performance forecast" under "1. Qualitative information regarding quarterly consolidated business performance" on page 5 of the 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 .....                           | 4  |
| (3) Qualitative information regarding consolidated business performance forecast .....                | 5  |
| 2. Summary information (Notes) .....  | 5  |
| (1) Significant changes in subsidiaries during period .....   | 5  |
| (2) Special accounting treatment for preparation of quarterly consolidated financial statements ..... | 5  |
| (3) Changes in accounting policies, accounting estimates, restatements, etc. ....                     | 5  |
| 3. Quarterly consolidated financial statements .....  | 6  |
| (1) Quarterly consolidated balance sheets .....   | 6  |
| (2) Quarterly consolidated statements of income and comprehensive income .....                        | 8  |
| (3) Quarterly consolidated statements of cash flows .....   | 10 |
| (4) Notes to quarterly consolidated financial statements .....  | 11 |
| (Note on assumptions for going concern) .....   | 11 |
| (Notes if there is a significant change in shareholders' equity) .....                                | 11 |
| (Segment information) .....   | 12 |

## 1. Qualitative information regarding quarterly consolidated business performance

### (1) Qualitative information regarding consolidated business performance

Consolidated operating results for the reporting third quarter (October 1, 2013 to June 30, 2014)

|                                  | Third quarter ended June 30, 2013 |                     | Third quarter ended June 30, 2014 |                     | Change<br>(Millions of yen) | Change<br>(%) |
|----------------------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|-----------------------------|---------------|
|                                  | Sales<br>(Millions of yen)        | % of total<br>sales | Sales<br>(Millions of yen)        | % of total<br>sales |                             |               |
| Cosmetics                        | 24,196                            | 69.2                | 25,271                            | 69.0                | 1,075                       | 4.4           |
| Pharmaceuticals &<br>Health Food | 9,591                             | 27.4                | 9,942                             | 27.2                | 351                         | 3.7           |
| Other                            | 1,179                             | 3.4                 | 1,397                             | 3.8                 | 218                         | 18.5          |
| Total sales                      | 34,967                            | 100.0               | 36,611                            | 100.0               | 1,644                       | 4.7           |

|                  | Third quarter ended June 30, 2013 |                     | Third quarter ended June 30, 2014 |                     | Change<br>(Millions of yen) | Change<br>(%) |
|------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|-----------------------------|---------------|
|                  | Amount<br>(Millions of yen)       | % of total<br>sales | Amount<br>(Millions of yen)       | % of total<br>sales |                             |               |
| Operating income | 6,129                             | 17.5                | 5,967                             | 16.3                | (162)                       | (2.7)         |
| Ordinary income  | 6,320                             | 18.1                | 6,135                             | 16.8                | (184)                       | (2.9)         |
| Net income       | 3,229                             | 9.2                 | 2,989                             | 8.2                 | (239)                       | (7.4)         |

During the third quarter of fiscal 2014 (October 1, 2013 to June 30, 2014), despite rising and falling demand following the consumption tax-rate increase, the Japanese economy staged a moderate recovery.

In the domestic cosmetics business, the Group's main area of business, before the consumption tax increase, demand increased, but after the tax increase, demand decreased.

In this environment, net sales for the nine-month period ended June 30, 2014 were 36,611 million yen (increase 4.7% year on year), operating income came to 5,967 million yen (down 2.7%), ordinary income was 6,135 million yen (down 2.9%), and net income stood at 2,989 million yen (down 7.4%).

In the Cosmetics segment's cosmetics sold through individual consultation, sales of the high-end basic skin care series were solid. In self-selection cosmetics, we invested aggressively in marketing. As a result, sales in the Cosmetics segment were favorable, with sales of 25,271 million yen (up 4.4%) and segment income of 7,025 million yen (up 8.1%).

In the Pharmaceuticals & Health Food segment, sales were strong due to aggressive investment in marketing of drink products. Sales of nutritional supplements were steady. As a result, sales in this segment came to 9,942 million yen (up 3.7%) and segment income was 454 million yen (down 49.0%).

In the Other segment's aviation-related business, with demand recovering moderately in some parts of European and U.S. markets, sales were strong. As a result, sales in this segment amounted to 1,397 million yen (up 18.5%) and segment loss totaled 116 million yen (compared with segment income of 104 million yen in the same period a year ago).

### (2) Qualitative information regarding consolidated financial position

Total assets as of June 30, 2014 stood at 86,821 million yen, a decrease of 49 million yen over the previous fiscal year-end. This was mainly due to decreases in cash and cash equivalents of 6,733 million yen and notes and accounts receivable of 1,203 million yen, and increases of securities of 5,998 million yen and equipment and vehicles, net of 1,664 million yen.

Liabilities came to 32,338 million yen, a decrease of 1,254 million yen, mainly due to a decrease of 1,724 million yen in income tax payable.

Net assets came to 54,483 million yen, an increase of 1,205 million yen over the previous fiscal year-end. This was primarily attributable to a 1,117 million yen increase in retained earnings, which reflected net income of 2,989 million yen and dividends of surplus of 1,872 million yen.

As a result, the equity ratio stood at 62.7%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis at the end of the third quarter decreased 8,730 million yen from the previous term-end (42,062 million yen), to 33,332 million yen.

The status of each cash flow and the factors contributing to an increase or a decrease for the first nine months ended June 30, 2014 are presented below.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 4,523 million yen (a 496 million yen decrease in income compared with the corresponding period of the previous fiscal year). This was mainly due to income before income taxes of 6,098 million yen, a decrease in trade receivables of 1,256 million yen, an increase in trade payables of 1,112 million yen, against an outflow from income tax paid of 4,318 million yen.

(Cash flows from investing activities)

Net cash used in investing activities came to 11,382 million yen (a 10,969 million yen increase in expenditures compared with the corresponding period of the previous fiscal year). The principal cash outflows were 7,996 million yen for the purchase of securities, 4,030 million yen expenditure for deposit to time deposits, and 2,568 million yen for purchase of property, plant and equipment. The principal inflows were 2,033 million yen in proceeds from withdrawal of time deposits and 2,000 million yen in proceeds from redemption of securities.

(Cash flows from financing activities)

Net cash used in financing activities was 1,871 million yen (a 375 million yen increase in expenditures compared with the corresponding period of the previous fiscal year). This was due to cash dividends paid of 1,871 million yen.

(3) Qualitative information regarding consolidated business performance forecast

The consolidated business performance forecast for the full year ending September 30, 2014, announced on November 12, 2013 remains unchanged.

## 2. Summary information (Notes)

(1) Significant changes in subsidiaries during period

Not applicable

(2) Special accounting treatment for preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates, restatements, etc.

Not applicable

### 3. Quarterly consolidated financial statements

#### (1) Quarterly consolidated balance sheets

(Thousands of yen)

|  | Previous fiscal year<br>(As of September 30,<br>2013) | As of<br>June 30, 2014 |
|--|---|------------------------|
| <b>ASSETS</b>                              |   |                        |
| <b>Current assets</b>                      |   |                        |
| Cash and cash equivalents                  | 42,096,084  | 35,362,631             |
| Notes and accounts receivable              | 10,914,170  | 9,710,451              |
| Securities                                 | —   | 5,998,438              |
| Merchandise and finished goods             | 5,254,686   | 5,867,859              |
| Work in progress                           | 216,484   | 97,257                 |
| Raw materials and purchased supplies       | 1,096,459   | 1,049,495              |
| Deferred tax assets                        | 1,180,534   | 942,956                |
| Other receivables                          | 1,925,344   | 1,860,129              |
| Other                                      | 830,839   | 530,945                |
| Allowance for doubtful accounts            | (33,069)  | (32,634)               |
| <b>Total current assets</b>                | <b>63,481,536</b>                                     | <b>61,387,529</b>      |
| <b>Non-current assets</b>                  |   |                        |
| <b>Property, plant and equipment</b>       |   |                        |
| Buildings and structures, net              | 4,770,138   | 4,552,770              |
| Equipment and vehicles, net                | 647,121   | 2,311,994              |
| Land                                       | 13,642,382  | 13,642,382             |
| Lease assets, net                          | 29,630  | 32,256                 |
| Construction in progress                   | 60,146  | 388,924                |
| Other, net                                 | 237,394   | 243,079                |
| <b>Total property, plant and equipment</b> | <b>19,386,814</b>                                     | <b>21,171,408</b>      |
| <b>Intangible assets</b>                   |   |                        |
| Goodwill                                   | —   | 182,575                |
| Software                                   | 174,267   | 136,089                |
| Other                                      | 94,299  | 83,611                 |
| <b>Total intangible assets</b>             | <b>268,567</b>  | <b>402,275</b>         |
| <b>Investments and other assets</b>        |   |                        |
| Investment securities                      | 728,677   | 778,627                |
| Deferred tax assets                        | 1,951,096   | 1,986,465              |
| Other                                      | 1,112,168   | 1,147,114              |
| Allowance for doubtful accounts            | (57,857)  | (51,699)               |
| <b>Total investments and other assets</b>  | <b>3,734,085</b>                                      | <b>3,860,507</b>       |
| <b>Total non-current assets</b>            | <b>23,389,467</b>                                     | <b>25,434,191</b>      |
| <b>Total assets</b>                        | <b>86,871,003</b>                                     | <b>86,821,720</b>      |

(Thousands of yen)

|   | Previous fiscal year<br>(As of September 30,<br>2013) | As of<br>June 30, 2014 |
|---|---|------------------------|
| <b>LIABILITIES AND NET ASSETS</b>             |   |                        |
| <b>Current liabilities</b>                    |   |                        |
| Notes and accounts payable                    | 3,968,830   | 5,079,489              |
| Lease obligations                             | 11,176  | 11,896                 |
| Other accounts payable                        | 3,045,128   | 3,586,904              |
| Income tax payable                            | 2,904,258   | 1,180,063              |
| Reserve for bonuses                           | 288,629   | 138,517                |
| Reserve for product returns                   | 543,031   | 447,001                |
| Other   | 1,175,848   | 968,132                |
| Total current liabilities                     | 11,936,904  | 11,412,005             |
| <b>Long-term liabilities</b>                  |   |                        |
| Lease obligations                             | 19,917  | 22,133                 |
| Guarantee deposits received                   | 16,577,786  | 16,052,165             |
| Deferred tax liabilities                      | 223,355   | 237,873                |
| Reserve for employees' retirement benefits    | 4,649,363   | 4,427,977              |
| Other   | 185,673   | 186,182                |
| Total long-term liabilities                   | 21,656,096  | 20,926,332             |
| <b>Total liabilities</b>                      | <b>33,593,000</b>                                     | <b>32,338,338</b>      |
| <b>NET ASSETS</b>                             |   |                        |
| <b>Shareholders' equity</b>                   |   |                        |
| Common stock                                  | 7,319,000   | 7,319,000              |
| Additional paid-in capital                    | 3,484,620   | 3,484,620              |
| Retained earnings                             | 42,455,189  | 43,572,546             |
| Treasury stock                                | (138)   | (138)                  |
| Total shareholders' equity                    | 53,258,671  | 54,376,028             |
| <b>Accumulated other comprehensive income</b> |   |                        |
| Net unrealized gain on other securities       | 244,187   | 275,902                |
| Foreign currency translation adjustments      | (281,011)   | (235,026)              |
| Total accumulated other comprehensive income  | (36,824)  | 40,875                 |
| Minority interests                            | 56,155  | 66,478                 |
| <b>Total net assets</b>                       | <b>53,278,002</b>                                     | <b>54,483,382</b>      |
| <b>Total liabilities and net assets</b>       | <b>86,871,003</b>                                     | <b>86,821,720</b>      |

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income  
Third quarter of the fiscal year ending September 30, 2014

(Thousands of yen)

|   | 3rd quarter ended<br>June 30, 2013 | 3rd quarter ended<br>June 30, 2014 |
|---|------------------------------------|------------------------------------|
| <b>Net sales</b>                                    | 34,967,340                         | <b>36,611,845</b>                  |
| <b>Cost of sales</b>                                | 11,403,709                         | <b>11,998,801</b>                  |
| Gross profit  | 23,563,631                         | <b>24,613,043</b>                  |
| <b>Selling, general and administrative expenses</b> | 17,433,706                         | <b>18,645,779</b>                  |
| Operating income                                    | 6,129,924                          | <b>5,967,264</b>                   |
| <b>Non-operating income</b>                         |                                    |                                    |
| Interest income                                     | 7,657                              | <b>7,186</b>                       |
| Dividend income                                     | 8,800                              | <b>9,515</b>                       |
| Lease income  | 38,408                             | <b>64,572</b>                      |
| Exchange differences                                | 23,866                             | <b>16,383</b>                      |
| Other   | 121,254                            | <b>74,602</b>                      |
| Total   | 199,987                            | <b>172,262</b>                     |
| <b>Non-operating expenses</b>                       |                                    |                                    |
| Commitment fee                                      | 7,972                              | <b>3,484</b>                       |
| Other   | 1,531                              | <b>46</b>                          |
| Total   | 9,504                              | <b>3,531</b>                       |
| Ordinary income                                     | 6,320,408                          | <b>6,135,995</b>                   |
| <b>Extraordinary income</b>                         |                                    |                                    |
| Gain on sale of fixed assets                        | 7,499                              | <b>2,906</b>                       |
| Total   | 7,499                              | <b>2,906</b>                       |
| <b>Extraordinary losses</b>                         |                                    |                                    |
| Loss on disposal of fixed assets                    | 15,798                             | <b>30,808</b>                      |
| Impairment loss                                     | —                                  | <b>9,454</b>                       |
| Total   | 15,798                             | <b>40,262</b>                      |
| <b>Income before income taxes</b>                   | 6,312,109                          | <b>6,098,639</b>                   |
| <b>Income taxes – basic</b>                         | 3,185,053                          | <b>2,776,155</b>                   |
| <b>Income taxes – deferred</b>                      | (109,237)                          | <b>323,766</b>                     |
| <b>Total</b>  | 3,075,816                          | <b>3,099,881</b>                   |
| <b>Income before minority interests</b>             | 3,236,293                          | <b>2,998,758</b>                   |
| <b>Minority interests</b>                           | 6,940                              | <b>9,264</b>                       |
| <b>Net income</b>                                   | 3,229,352                          | <b>2,989,493</b>                   |



Quarterly consolidated statements of comprehensive income

(Thousands of yen)

|   | 3rd quarter ended<br>June 30 31, 2013 | <b>3rd quarter ended<br/>June 30, 2014</b> |
|---|---------------------------------------|--|
| Income before minority interests                          | 3,236,293                             | <b>2,998,758</b>                           |
| Other comprehensive income                                |                                       |  |
| Net unrealized gain on other securities                   | 161,696                               | <b>31,715</b>                              |
| Foreign currency translation adjustments                  | 315,210                               | <b>47,043</b>                              |
| Total   | 476,907                               | <b>78,758</b>                              |
| Comprehensive income                                      | 3,713,200                             | <b>3,077,516</b>                           |
| (Breakdown)   |                                       |  |
| Comprehensive income attributable to owners of the parent | 3,693,168                             | <b>3,067,193</b>                           |
| Comprehensive income attributable to minority interests   | 20,031                                | <b>10,322</b>                              |

## (3) Quarterly consolidated statements of cash flows

(Thousands of yen)

|  | 3rd quarter ended<br>June 30, 2013 | 3rd quarter ended<br>June 30, 2014 |
|--|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities</b>                          |                                    |                                    |
| Income before income taxes   | 6,312,109                          | 6,098,639                          |
| Depreciation   | 828,942                            | 711,005                            |
| Impairment loss  | —                                  | 9,454                              |
| Amortization of goodwill   | 7,547                              | 32,219                             |
| Increase (decrease) in reserve for doubtful accounts                 | (40,155)                           | (6,757)                            |
| Increase (decrease) in reserve for bonuses                           | (15,211)                           | (150,206)                          |
| Increase (decrease) in reserve for product returns                   | (115,186)                          | (96,030)                           |
| Increase (decrease) in reserve for retirement benefits               | (73,400)                           | (221,450)                          |
| Interest and dividends received                                      | (16,458)                           | (16,702)                           |
| Gain/loss on currency translation                                    | (29,307)                           | 11,815                             |
| Gain/loss on sales of property, plant and equipment                  | 8,299                              | 27,901                             |
| Decrease (increase) in trade receivables                             | 1,186,902                          | 1,256,287                          |
| Decrease (increase) in inventories                                   | 24,631                             | (22,054)                           |
| Increase (decrease) in trade payables                                | (316,032)                          | 1,112,538                          |
| Increase (decrease) in guarantee deposits                            | (611,732)                          | (525,638)                          |
| Other  | (175,746)                          | 607,084                            |
| Subtotal   | 6,975,202                          | 8,828,103                          |
| Interest and dividends received                                      | 15,794                             | 13,611                             |
| Income tax (paid) refunded   | (1,971,472)                        | (4,318,649)                        |
| Net cash provided by (used in) operating activities                  | 5,019,523                          | 4,523,065                          |
| <b>Cash flows from investing activities</b>                          |                                    |                                    |
| Expenditure for deposit to time deposits                             | (2,030,059)                        | (4,030,642)                        |
| Proceeds from withdrawal of time deposits                            | 2,000,000                          | 2,033,515                          |
| Purchase of securities   | —                                  | (7,996,391)                        |
| Proceeds from redemption of securities                               | —                                  | 2,000,000                          |
| Purchase of investment securities                                    | (1,660)                            | (1,350)                            |
| Purchase of subsidiary stock   | (16,814)                           | —                                  |
| Purchase of property, plant and equipment                            | (320,588)                          | (2,568,251)                        |
| Proceeds from sale of property, plant and equipment                  | 9,319                              | 33,190                             |
| Purchase of intangible assets  | (53,227)                           | (43,000)                           |
| Payments for transfer of business                                    | —                                  | (810,000)                          |
| Net cash provided by (used in) investing activities                  | (413,031)                          | (11,382,930)                       |
| <b>Cash flows from financing activities</b>                          |                                    |                                    |
| Purchase of treasury stock   | (87)                               | —                                  |
| Cash dividends paid  | (1,497,608)                        | (1,873,108)                        |
| Net cash provided by (used in) financing activities                  | (1,497,696)                        | (1,873,108)                        |
| <b>Effects of exchange rate changes on cash and cash equivalents</b> | 150,877                            | 2,319                              |
| <b>Net change in cash and cash equivalents</b>                       | 3,259,672                          | (8,730,654)                        |
| <b>Cash and cash equivalents, beginning of year</b>                  | 36,253,228                         | 42,062,888                         |
| <b>Cash and cash equivalents, end of year</b>                        | 39,512,900                         | 33,332,234                         |

(4) Notes to quarterly consolidated financial statements  
(Note on assumptions for going concern)  
Not applicable

(Notes if there is a significant change in shareholders' equity)  
Not applicable

(Segment information)

I Consolidated results for the previous hird quarter (October 1, 2012 to June 30, 2013) of fiscal 2013

1. Sales and income (loss) data, by reportable segment

(Thousands of yen)

|                        | Cosmetics  | Pharmaceuticals<br>&<br>Health Food | Other     | Total      | Adjustment<br>(Note 1) | Amounts<br>included in<br>quarterly<br>consolidated<br>statements of<br>income<br>(Note 2) |
|------------------------|------------|-------------------------------------|-----------|------------|------------------------|--|
| Net Sales              |            |                                     |           |            |                        |  |
| (1) Sales, external    | 24,196,464 | 9,591,694                           | 1,179,181 | 34,967,340 | —                      | 34,967,340   |
| (2) Intersegment sales | —          | —                                   | 117,903   | 117,903    | (117,903)              | —  |
| Total                  | 24,196,464 | 9,591,694                           | 1,297,084 | 35,085,243 | (117,903)              | 34,967,340   |
| Segment income (loss)  | 6,499,638  | 890,742                             | 104,259   | 7,494,640  | (1,364,715)            | 6,129,924  |

(Note 1) Intersegment eliminations totaling 165,091 thousand yen and unallocated corporate expenses totaling (1,529,807 thousand) yen have been included in the segment income (loss) adjustment totaling (1,364,715 thousand) yen. Corporate expenses refer to Noevir Holdings Co., Ltd.'s 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.

2. Impairment loss for non-current assets and goodwill, by reportable segment

Not applicable

II Consolidated results for the first half (October 1, 2013 to June 30, 2014) of fiscal 2014

1. Sales and income (loss) data, by reportable segment

(Thousands of yen)

|                        | Cosmetics  | Pharmaceuticals<br>&<br>Health Food | Other     | Total      | Adjustment<br>(Note 1) | Amounts<br>included in<br>quarterly<br>consolidated<br>statements of<br>income<br>(Note 2) |
|------------------------|------------|-------------------------------------|-----------|------------|------------------------|--|
| Net Sales              |            |                                     |           |            |                        |  |
| (1) Sales, external    | 25,271,627 | 9,942,713                           | 1,397,504 | 36,611,845 | —                      | 36,611,845   |
| (2) Intersegment sales | —          | —                                   | 113,836   | 113,836    | (113,836)              | —  |
| Total                  | 25,271,627 | 9,942,713                           | 1,511,340 | 36,725,681 | (113,836)              | 36,611,845   |
| Segment income (loss)  | 7,025,303  | 454,279                             | (116,899) | 7,362,684  | (1,395,420)            | 5,967,264  |

(Note 1) Intersegment eliminations totaling 160,623 thousand yen and unallocated corporate expenses totaling (1,556,043 thousand) yen have been included in the segment income (loss) adjustment totaling (1,395,420 thousand) yen. Corporate expenses refer to Noevir Holdings Co., Ltd.'s 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.

2. Impairment loss for non-current assets and goodwill, by reportable segment

(Major impairment loss for non-current assets)

Not applicable