

February 6, 2015

## Noevir Holdings Announces 2015 First Quarter Consolidated Results (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange, First Section (Code Number: 4928)  
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 Submission of securities report: February 10, 2015 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 first quarter of the fiscal year ending September 30, 2015 (October 1, 2014 – December 31, 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
First quarter ended December 31, 2014	12,751 (0.5) %	2,503 (4.2) %	2,837 3.1 %	1,122 (11.2) %
First quarter ended December 31, 2013	12,813 2.6%	2,613 17.3 %	2,752 19.5 %	1,265 23.0 %

Note: Comprehensive income:

First quarter ended December 31, 2014: 1,307 million yen (10.0%)

First quarter ended December 31, 2013: 1,451 million yen 18.7%

	EPS (Yen)	Diluted EPS (Yen)
First quarter ended December 31, 2014	30.65	—
First quarter ended December 31, 2013	33.79	—

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
First quarter ended December 31, 2014	83,173	50,934	61.1
Year ended September 30, 2014	88,058	56,018	63.5

[Reference] Equity:

First quarter ended December 31, 2014: 50,840 million yen Year ended September 30, 2014: 55,944 million yen

### 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2014	—	0.00	—	60.00	60.00
Year ending September 30, 2015	—				
Year ending September 30, 2015 (forecast)		0.00	—	60.00	60.00

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

### 3. Consolidated earnings forecasts for the fiscal year ending September 30, 2015 (October 1, 2014 – September 30, 2015)

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

	Net Sales	Operating income	Ordinary income	Net income	EPS (Yen)
Half year	23,300 (5.3) %	3,700 (20.3) %	3,800 (20.9) %	1,800 (20.7) %	48.07
Full year	48,500 0.5 %	7,500 6.2 %	7,700 2.5 %	4,700 8.1 %	125.53

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: Yes
  - 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 December 31, 2014: 35,451,653
    - As of September 30, 2014: 37,442,840
  - 2) Treasury shares outstanding
    - As of December 31, 2014: 0
    - As of September 30, 2014: 187
  - 3) Average shares outstanding over quarter
    - As of December 31, 2014: 36,641,925
    - As of December 31, 2013: 37,442,727

\* Explanation regarding audit procedures

Preparation of the audit procedures 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) Estimates and forecasts pertaining to future plans and business results" under "1. Qualitative information regarding quarterly consolidated business performance" on page 3 the Attached Material.

\* Change in units of amounts shown

The amounts of figures shown for accounting items and other items presented in the quarterly consolidated financial statements had been shown in units of one thousand yen. However, this has been changed to units of one million yen beginning from the first quarter ended December 31, 2014.

To facilitate comparison, amounts for the previous fiscal year and the first quarter ended December 31, 2013 are also shown in units of one million yen.

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## 1. Qualitative information regarding quarterly consolidated business performance

### (1) Operating results

Consolidated operating results for the first quarter (October 1, 2014 to December 31, 2014)

	First quarter ended December 31, 2013		First quarter ended December 31, 2014		Change (Millions of yen)	Change (%)
	Sales (Millions of yen)	% of total sales	Sales (Millions of yen)	% of total sales		
Cosmetics	9,179	71.6	9,526	74.7	347	3.8
Pharmaceuticals & Health Food	3,488	27.2	3,021	23.7	(466)	(13.4)
Other	146	1.2	203	1.6	57	39.1
Total sales	12,813	100.0	12,751	100.0	(62)	(0.5)

	First quarter ended December 31, 2013		First quarter ended December 31, 2014		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales		
Operating income	2,613	20.4	2,503	19.6	(110)	(4.2)
Ordinary income	2,752	21.5	2,837	22.3	85	3.1
Net income	1,265	9.9	1,122	8.8	(142)	(11.2)

During the first quarter of fiscal 2015 (October 1, 2014 to December 31, 2014), the Japanese economy was on a modest recovery path, buoyed by a slight rebound after a fall in demand following the consumption tax increase, as a result of the yen's continued depreciation and low crude oil prices.

The cosmetics market in Japan, the Group's main business domain, has saturated and matured, while consumer needs have changed rapidly, showing greater diversity and segmentation.

Under these circumstances, net sales for the first quarter ended December 31, 2014 came to 12,751 million yen (down 0.5% year on year), operating income was 2,503 million yen (down 4.2%), and ordinary income totaled 2,837 million yen (up 3.1%), while net income came to 1,122 million yen (down 11.2%).

In the Cosmetics segment, although sales of cosmetics sold through individual consultation were strong after the launch of new versions of the mainstay mid-priced skincare series, demand for the high-end basic skincare series released last year had run its course. In self-selection cosmetics, sales increased thanks to customer support for the Group's basic skincare and makeup series and other products. As a result, sales in the Cosmetics segment came to 9,526 million yen (up 3.8% year on year), while segment income was 2,961 million yen (down 0.3%).

In the Pharmaceuticals & Health Food segment, sales of pharmaceuticals and drink products were low.

By contrast, sales of nutritional supplements were about the same as the first three months of the previous fiscal year. As a result, sales in this segment came to 3,021 million yen (down 13.4%), while segment income totaled 163 million yen (up 9.7%).

In the Other segment's apparel business, sales were steady, and in the aviation-related business, sales were strong. As a result, sales in this segment amounted to 203 million yen (up 39.1%), and a segment loss of 105 million yen (compared with a segment loss of 69 million yen in the corresponding period of the previous fiscal year) was recorded.

Sales and income from cosmetics sold through individual consultation tend to be higher in the three-month period from October 1 to December 31 and the three-month period from April 1 to June 30. This is primarily attributable to the "Skincare Cosmetics Fair" held by Noevir twice a year over a two-month period in both summer and winter.

### (2) Financial position

Total assets as of December 31, 2014 stood at 83,173 million yen, a decrease of 4,884 million yen over the previous fiscal year-end. This was mainly due to a decline in cash and cash equivalents of 16,506 million yen, and increases in investment securities of 9,998 million yen, property, plant and equipment of 943 million yen, and notes and accounts receivable of 475 million yen.

Total liabilities came to 32,239 million yen, an increase of 200 million yen over the previous fiscal year-end. This was mainly due to an increase in notes and accounts payable of 384 million yen.

Net assets came to 50,934 million yen, a decrease of 5,084 million yen over the previous fiscal year-end. This was primarily attributable to a decrease in additional paid-in capital of 3,484 million yen due to the retirement of treasury stock, and a decline in retained earnings of 1,784 million yen as a result of the distribution of dividends from retained earnings.

As a result of the foregoing, the equity ratio stood at 61.1%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis for the period under review stood at 23,332 million yen, a decrease of 18,507 million yen compared with the 41,840 million yen at the previous fiscal year-end.

The status of each cash flow together with the factors contributing to an increase or decrease for the three-months ended December 31, 2014 are presented as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 716 million yen (1,319 million yen more than in the corresponding period of the previous fiscal year). The main item increasing cash was income before income taxes of 2,840 million yen. The main item decreasing cash was income tax paid of 1,745 million yen.

(Cash flows from investing activities)

Net cash used in investing activities came to 13,160 million yen (7,702 million yen more than in the corresponding period of the previous fiscal year). This was mainly due to 9,996 million yen in purchase of investment securities, a deposit of 2,012 million yen in time deposits, and 1,104 million in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was 6,169 million yen (4,336 million yen more than in the corresponding period of the previous fiscal year). This was mainly due to 3,964 million yen in purchase of treasury stock, and 2,205 million yen in cash dividends paid.

(3) Estimates and forecasts pertaining to future plans and business results

The consolidated business performance forecast for the first half and the full year ending September 30, 2015, announced on November 11, 2014 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.

(Changes in accounting policies)

With regard to "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26 of May 17, 2012; hereinafter, "Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012; hereinafter, "Retirement Benefits Guidance"), the Company began applying the provisions of Article 35 of the Retirement Benefits Accounting Standard and Article 67 of the Retirement Benefits Guidance from the first quarter ended December 31, 2014. As a result, the calculation of retirement benefit obligations and service costs was revised and the method for attributing estimated retirement benefits to accounting periods was changed from the straight-line basis to the benefit formula basis. At the same time, the Company's method for determining the discount rate was changed from one based on the average remaining service years of employees to applying a single weighted-average discount rate reflecting each estimated period of benefit payments and amounts to be paid in each period.

With regard to the application of the Retirement Benefits Accounting Standard and related guidance, the effects of the change in the method of calculating retirement benefit liabilities and service costs at of the beginning of the first quarter ended December 31, 2014 has been adjusted in retained earnings in accordance with the transitional treatment set forth in Article 37 of the Retirement Benefits Accounting Standard.

As a result, net defined retirement benefit liability at the beginning of the first quarter ended December 31, 2014 increased by 279 million yen, and retained earnings decreased by 180 million yen. The effect of this change on consolidated operating income, ordinary income, and income before income taxes for the first quarter ended December 31, 2014 was negligible.

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

(Millions of yen)

	Previous fiscal year (As of September 30, 2014)	As of December 31, 2014
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	41,871	25,365
Notes and accounts receivable	10,504	10,980
Securities	—	9,998
Merchandise and finished goods	5,052	5,224
Work in progress	92	103
Raw materials and purchased supplies	1,087	1,168
Deferred tax assets	1,006	888
Other receivables	2,027	1,884
Other	658	724
Allowance for doubtful accounts	(32)	(30)
Total current assets	62,268	56,307
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	4,446	4,496
Equipment and vehicles, net	2,384	2,499
Land	13,642	13,642
Lease assets, net	51	47
Construction in progress	661	1,457
Other, net	274	262
Total property, plant and equipment	21,461	22,405
Intangible assets		
Goodwill	171	174
Software	118	104
Other	86	99
Total intangible assets	376	379
Investments and other assets		
Investment securities	899	962
Deferred tax assets	1,943	2,028
Other	1,157	1,136
Allowance for doubtful accounts	(50)	(45)
Total investments and other assets	3,950	4,081
Total non-current assets	25,789	26,866
<b>Total assets</b>	88,058	83,173

(Millions of yen)

	Previous fiscal year (As of September 30, 2014)	As of December 31, 2014
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	4,505	4,890
Lease obligations	14	13
Other accounts payable	3,565	3,414
Income tax payable	1,416	1,162
Reserve for bonuses	262	39
Reserve for product returns	430	448
Other	1,116	1,485
Total current liabilities	11,312	11,452
<b>Long-term liabilities</b>		
Lease obligations	32	29
Guarantee deposits received	15,922	15,762
Deferred tax liabilities	250	270
Reserve for employees' retirement benefits	4,336	4,571
Other	183	151
Total long-term liabilities	20,727	20,786
<b>Total liabilities</b>	32,039	32,239
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Additional paid-in capital	3,484	—
Retained earnings	44,932	43,148
Treasury stock	(0)	—
Total shareholders' equity	55,735	50,467
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	294	334
Foreign currency translation adjustments	(140)	(25)
Remeasurements of defined benefit plans, net of tax	55	64
Total accumulated other comprehensive income	208	373
Minority interests	74	93
<b>Total net assets</b>	56,018	50,934
<b>Total liabilities and net assets</b>	88,058	83,173

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income  
First quarter of the fiscal year ending September 30, 2015

(Millions of yen)

	First quarter ended December 31, 2013	First quarter ended December 31, 2014
<b>Net sales</b>	12,813	<b>12,751</b>
<b>Cost of sales</b>	3,949	<b>4,065</b>
Gross profit	8,864	<b>8,686</b>
<b>Selling, general and administrative expenses</b>	6,250	<b>6,183</b>
Operating income	2,613	<b>2,503</b>
<b>Non-operating income</b>		
Interest income	1	<b>4</b>
Dividend income	4	<b>5</b>
Lease income	36	<b>17</b>
Exchange differences	67	<b>209</b>
Other	29	<b>97</b>
Total	140	<b>334</b>
<b>Non-operating expenses</b>		
Commitment fee	1	<b>—</b>
Other	0	<b>0</b>
Total	1	<b>0</b>
Ordinary income	2,752	<b>2,837</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	1	<b>3</b>
Total	1	<b>3</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	1	<b>0</b>
Impairment loss	9	<b>—</b>
Total	11	<b>0</b>
<b>Income before income taxes</b>	2,742	<b>2,840</b>
<b>Income taxes – basic</b>	1,194	<b>1,570</b>
<b>Income taxes – deferred</b>	279	<b>133</b>
<b>Total</b>	1,473	<b>1,703</b>
<b>Income before minority interests</b>	1,268	<b>1,136</b>
<b>Minority interests</b>	3	<b>13</b>
<b>Net income</b>	1,265	<b>1,122</b>



Quarterly consolidated statements of comprehensive income

(Millions of yen)

	First quarter ended December 31, 2013	<b>First quarter ended December 31, 2014</b>
Income before minority interests	1,268	<b>1,136</b>
Other comprehensive income		
Net unrealized gain on other securities	72	<b>39</b>
Foreign currency translation adjustments	110	<b>121</b>
Remeasurements of defined benefit plans, net of tax	—	<b>9</b>
Total	183	<b>170</b>
Comprehensive income	1,451	<b>1,307</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,442	<b>1,287</b>
Comprehensive income attributable to minority interests	9	<b>19</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	First quarter ended December 31, 2013	First quarter ended December 31, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes	2,742	<b>2,840</b>
Depreciation	216	<b>256</b>
Impairment loss	9	<b>—</b>
Amortization of goodwill	10	<b>11</b>
Increase (decrease) in reserve for doubtful accounts	(6)	<b>(6)</b>
Increase (decrease) in reserve for bonuses	(139)	<b>(223)</b>
Increase (decrease) in reserve for product returns	(12)	<b>17</b>
Increase (decrease) in reserve for retirement benefits	(193)	<b>—</b>
Increase (decrease) in net defined benefit liability	—	<b>(30)</b>
Interest and dividends received	(6)	<b>(10)</b>
Gain/loss on currency translation	(39)	<b>(200)</b>
Gain/loss on sales of property, plant and equipment	0	<b>(2)</b>
Decrease (increase) in trade receivables	(678)	<b>(442)</b>
Decrease (increase) in inventories	(107)	<b>(212)</b>
Increase (decrease) in trade payables	601	<b>386</b>
Increase (decrease) in guarantee deposits	(173)	<b>(161)</b>
Other	571	<b>233</b>
Subtotal	2,794	<b>2,455</b>
Interest and dividends received	4	<b>6</b>
Income tax (paid) refunded	(3,402)	<b>(1,745)</b>
Net cash provided by (used in) operating activities	(602)	<b>716</b>
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(2,011)	<b>(2,012)</b>
Proceeds from withdrawal of time deposits	14	<b>12</b>
Purchase of securities	(1,999)	<b>(9,996)</b>
Purchase of investment securities	(0)	<b>(0)</b>
Purchase of property, plant and equipment	(657)	<b>(1,104)</b>
Proceeds from sales of property, plant and equipment	26	<b>11</b>
Purchase of intangible assets	(19)	<b>(0)</b>
Payments for acquisition of business	(810)	<b>(70)</b>
Net cash provided by (used in) investing activities	(5,458)	<b>(13,160)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	—	<b>(3,964)</b>
Cash dividends paid	(1,832)	<b>(2,205)</b>
Net cash provided by (used in) financing activities	(1,832)	<b>(6,169)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	45	<b>106</b>
<b>Net change in cash and cash equivalents</b>	(7,848)	<b>(18,507)</b>
<b>Cash and cash equivalents, beginning of year</b>	42,062	<b>41,840</b>
<b>Cash and cash equivalents, end of year</b>	34,214	<b>23,332</b>

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

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

At its Board of Directors' meeting held on November 18, 2014, the Company adopted a resolution to purchase and retire treasury stock. On November 19, the Company purchased 1,991,000 shares (3,964 million yen) of treasury stock, and on November 28, it retired 1,991,187 shares (3,964 million yen) of treasury stock.

As a result, in the first quarter ended December 31, 2014, additional paid-in capital and retained earnings decreased by 3,484 million yen and 479 million yen, respectively.

(Business segment information)

I Consolidated results for the previous first quarter (October 1, 2013 to December 31, 2013) of fiscal 2014

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

(Millions 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	9,179	3,488	146	12,813	—	12,813
(2) Intersegment sales	—	—	39	39	(39)	—
Total	9,179	3,488	185	12,853	(39)	12,813
Segment income (loss)	2,969	148	(69)	3,048	(434)	2,613

(Note 1) Intersegment eliminations totaling 50 million yen and unallocated corporate expenses totaling (485 million) yen have been included in the segment income (loss) adjustment totaling (434 million) 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)

Omitted because impact was considered immaterial

(Significant change in the amount of goodwill)

The Pharmaceuticals & Health Food segment recorded goodwill due to the business transfer from Nakai Pharmaceuticals Co., Ltd. and Nemuro-Cosmo Pharmaceuticals Co., Ltd. on October 31, 2013.

Further, the increase in the amount of goodwill based on this event will be 213 million yen in the first quarter of fiscal 2014.

II Consolidated results for the first quarter (October 1, 2014 to December 31, 2014) of fiscal 2015

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

(Millions 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	9,526	3,021	203	12,751	—	12,751
(2) Intersegment sales	—	—	24	24	(24)	—
Total	9,526	3,021	227	12,775	(24)	12,751
Segment income (loss)	2,961	163	(105)	3,019	(516)	2,503

(Note 1) Intersegment eliminations totaling 146 million yen and unallocated corporate expenses totaling (662 million) yen have been included in the segment income (loss) adjustment totaling (516 million) 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