

May 8, 2015

## Noevir Holdings Announces 2015 First Half 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: May 12, 2015  
 Date of commencement of dividend payments: –  
 Supplemental materials for the financial results prepared: Yes  
 Results briefing for the reporting period held: Yes (for institutional investors and analysts)

### 1. Operating results for the first half of the fiscal year ending September 30, 2015 (October 1, 2014 – March 31, 2015)

\* 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	
Six months ended March 31, 2015	23,635	(3.9)%	3,563	(23.3)%	3,926	(18.3)%	1,499	(34.0)%
Six months ended March 31, 2014	24,600	9.4%	4,643	42.1%	4,803	41.7%	2,269	41.9%

Note: Comprehensive income:

First half of fiscal year ending September 30, 2015: 1,803 million yen (23.4)%

First half of fiscal year ended September 30, 2014: 2,355 million yen 19.8%

	EPS (Yen)	Diluted EPS (Yen)
Six months ended March 31, 2015	41.58	—
Six months ended March 31, 2014	60.63	—

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
First half ended March 31, 2015	84,504	51,431	60.7
Year ended September 30, 2014	88,058	56,018	63.5

[Reference] Equity:

First half ended March 31, 2015: 51,333 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	—	0.00			
Year ending September 30, 2015 (forecast)			—	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)
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 March 31, 2015: 35,451,653

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

2) Treasury shares outstanding

As of March 31, 2015: 0

As of September 30, 2014: 187

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

As of March 31, 2015: 36,053,329

As of March 31, 2014: 37,442,727

### \* 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.

### \* 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 half ended March 31, 2015 are also shown in units of one million yen.

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## 1. Qualitative information regarding quarterly consolidated business performance

### (1) Qualitative information regarding consolidated operating results

Consolidated operating results for the reporting first half (October 1, 2014 to March 31, 2015)

	First half ended March 31, 2014		First half ended March 31, 2015		Change (Millions of yen)	Change (%)
	Sales (Millions of yen)	% of total sales	Sales (Millions of yen)	% of total sales		
Cosmetics	17,380	70.7	16,494	69.8	(885)	(5.1)
Pharmaceuticals & Health Food	6,645	27.0	6,186	26.2	(458)	(6.9)
Other	574	2.3	954	4.0	379	66.0
Total sales	24,600	100.0	23,635	100.0	(965)	(3.9)

	First half ended March 31, 2014		First half ended March 31, 2015		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales		
Operating income	4,643	18.9	3,563	15.1	(1,079)	(23.3)
Ordinary income	4,803	19.5	3,926	16.6	(877)	(18.3)
Net income	2,269	9.2	1,499	6.3	(770)	(34.0)

During the first half of fiscal 2015 (October 1, 2014 to March 31 2015), the Japanese economy improved to be on a modest recovery path after a fall in demand following the consumption tax increase as a result of the yen's 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 half ended March 31, 2015 came to 23,635 million yen (down 3.9% year on year), operating income was 3,563 million yen (down 23.3%), ordinary income totaled 3,926 million yen (down 18.3%), and net income was 1,499 million yen (down 34.0%). The same period in the previous year had been affected by the last-minute surge in demand before the increase in the consumption tax rate.

In the Cosmetics segment, sales of cosmetics sold through individual consultation were down year on year as demand for the high-end basic skincare series released last year had run its course. Sales of self-selection cosmetics, increased on the back of spending on aggressive marketing. However, we could not compensate for the last-minute surge in demand following the consumption tax hike during the first half of last year. As a result, sales in the Cosmetics segment came to 16,494 million yen (down 5.1% year on year), while segment income was 4,239 million yen (down 17.9%).

Pharmaceutical & Health Food segment sales declined year on year due to low sales of pharmaceuticals and pharmaceutical drinks. As a result, sales in this segment came to 6,186 million yen (down 6.9%), while segment income totaled 460 million yen (up 10.7%).

Sales in the Other segment's apparel business and the aviation-related business were up year on year. As a result, sales in this segment were 954 million yen (up 66.0%), and a segment loss of 122 million yen (compared with a segment loss of 19 million yen in the corresponding period of the previous fiscal year) was recorded.

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

Total assets as of March 31, 2015 stood at 84,504 million yen, a decrease of 3,553 million yen over the previous fiscal-year end. This was mainly due to a decline in cash and cash equivalents of 5,184 million yen, and an increase in property, plant and equipment of 1,526 million yen.

Total liabilities came to 33,073 million yen, an increase of 1,034 million yen over the previous fiscal year-end. This was mainly due to an increase in notes and accounts payable of 856 million yen.

Net assets came to 51,431 million yen, a decrease of 4,587 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 1,408 million yen as a result of the distribution of dividends from retained earnings. As a result of the foregoing, the equity ratio stood at 60.7%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis for the period under review stood at 36,632 million yen, a decrease of 5,207 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 six-months ended March 31, 2015 are presented as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 2,320 million yen (33 million less than in the corresponding period of the previous fiscal year). The main item increasing cash was income before income taxes of 3,923 million yen. The main item decreasing cash was income tax paid of 1,751 million yen.

(Cash flows from investing activities)

Net cash used in investing activities came to 1,430 million yen (1,865 million yen less than in the corresponding period of the previous fiscal year). This was mainly due to 1,234 million yen in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was 6,207 million yen (4,336 million yen more than in the corresponding period of the previous fiscal year). This was due to 3,964 million yen in purchase of treasury stock, and 2,243 million yen in cash dividends paid.

(3) Qualitative information regarding consolidated business performance forecast

The consolidated business performance forecast for 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 bases 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 the beginning of the first half ended March 31, 2015 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 benefit liability at the beginning of the first half ended March 31, 2015 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 half ended March 31, 2015 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 March 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	41,871	<b>36,687</b>
Notes and accounts receivable	10,504	<b>10,114</b>
Merchandise and finished goods	5,052	<b>5,676</b>
Work in progress	92	<b>115</b>
Raw materials and purchased supplies	1,087	<b>1,301</b>
Deferred tax assets	1,006	<b>923</b>
Other receivables	2,027	<b>1,794</b>
Other	658	<b>440</b>
Allowance for doubtful accounts	(32)	<b>(31)</b>
Total current assets	62,268	<b>57,022</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	4,446	<b>4,471</b>
Equipment and vehicles, net	2,384	<b>2,781</b>
Land	13,642	<b>13,642</b>
Lease assets, net	51	<b>44</b>
Construction in progress	661	<b>1,782</b>
Other, net	274	<b>265</b>
Total property, plant and equipment	21,461	<b>22,987</b>
Intangible assets		
Goodwill	171	<b>166</b>
Software	118	<b>93</b>
Other	86	<b>117</b>
Total intangible assets	376	<b>377</b>
Investments and other assets		
Investment securities	899	<b>1,191</b>
Deferred tax assets	1,943	<b>1,810</b>
Other	1,157	<b>1,159</b>
Allowance for doubtful accounts	(50)	<b>(44)</b>
Total investments and other assets	3,950	<b>4,117</b>
Total non-current assets	25,789	<b>27,482</b>
<b>Total assets</b>	<b>88,058</b>	<b>84,504</b>

(Millions of yen)

	Previous fiscal year (As of September 30, 2014)	As of March 31, 2015
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	4,505	5,362
Lease obligations	14	12
Other accounts payable	3,565	4,024
Income tax payable	1,416	1,605
Reserve for bonuses	262	64
Reserve for product returns	430	416
Other	1,116	968
Total current liabilities	11,312	12,452
<b>Long-term liabilities</b>		
Lease obligations	32	27
Guarantee deposits received	15,922	15,619
Deferred tax liabilities	250	294
Reserve for employees' retirement benefits	4,336	4,527
Other	183	151
Total long-term liabilities	20,727	20,621
<b>Total liabilities</b>	<b>32,039</b>	<b>33,073</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Additional paid-in capital	3,484	-
Retained earnings	44,932	43,524
Treasury stock	(0)	-
Total shareholders' equity	55,735	50,843
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	294	445
Foreign currency translation adjustments	(140)	(29)
Remeasurement of defined benefit plans, net of tax	55	74
Total accumulated other comprehensive income	208	490
Minority interests	74	97
<b>Total net assets</b>	<b>56,018</b>	<b>51,431</b>
<b>Total liabilities and net assets</b>	<b>88,058</b>	<b>84,504</b>

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

(Millions of yen)

	First half ended March 31, 2014	<b>First half ended March 31, 2015</b>
<b>Net sales</b>	24,600	<b>23,635</b>
<b>Cost of sales</b>	7,809	<b>8,084</b>
Gross profit	16,791	<b>15,550</b>
<b>Selling, general and administrative expenses</b>	12,148	<b>11,987</b>
Operating income	4,643	<b>3,563</b>
<b>Non-operating income</b>		
Interest income	3	<b>9</b>
Dividend income	4	<b>5</b>
Lease income	54	<b>33</b>
Exchange differences	47	<b>203</b>
Other	53	<b>111</b>
Total	163	<b>362</b>
<b>Non-operating expenses</b>		
Commitment fee	2	<b>-</b>
Other	0	<b>0</b>
Total	3	<b>0</b>
Ordinary income	4,803	<b>3,926</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	1	<b>9</b>
Total	1	<b>9</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	24	<b>12</b>
Impairment loss	9	<b>-</b>
Total	34	<b>12</b>
<b>Income before income taxes</b>	4,770	<b>3,923</b>
<b>Income taxes – basic</b>	2,274	<b>2,103</b>
<b>Income taxes – deferred</b>	220	<b>304</b>
<b>Total</b>	2,494	<b>2,407</b>
<b>Income before minority interests</b>	2,276	<b>1,515</b>
<b>Minority interests</b>	6	<b>16</b>
<b>Net income</b>	2,269	<b>1,499</b>



Quarterly consolidated statements of comprehensive income

(Millions of yen)

	First half ended March 31, 2014	<b>First half ended March 31, 2015</b>
Income before minority interests	2,276	<b>1,515</b>
Other comprehensive income		
Net unrealized gain on other securities	18	<b>151</b>
Foreign currency translation adjustments	60	<b>117</b>
Remeasurement of defined benefit plans, net of tax	-	<b>19</b>
Total	78	<b>288</b>
Comprehensive income	2,355	<b>1,803</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,346	<b>1,780</b>
Comprehensive income attributable to minority interests	8	<b>22</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	First half ended March 31, 2014	First half ended March 31, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes	4,770	3,923
Depreciation	435	542
Impairment loss	9	-
Amortization of goodwill	21	23
Increase (decrease) in reserve for doubtful accounts	(4)	(7)
Increase (decrease) in reserve for bonuses	(25)	(198)
Increase (decrease) in reserve for product returns	(63)	(14)
Increase (decrease) in reserve for retirement benefits	(195)	-
Increase (decrease) in net defined benefit liability	-	(89)
Interest and dividends received	(8)	(15)
Gain/loss on currency translation	(13)	(193)
Gain/loss on sales of property, plant and equipment	23	2
Decrease (increase) in trade receivables	(109)	435
Decrease (increase) in inventories	(235)	(791)
Increase (decrease) in trade payables	1,026	857
Increase (decrease) in guarantee deposits	(333)	(304)
Other	(11)	(107)
Subtotal	5,286	4,063
Interest and dividends received	7	9
Income tax (paid) refunded	(2,939)	(1,751)
Net cash provided by (used in) operating activities	2,353	2,320
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(2,029)	(2,053)
Proceeds from withdrawal of time deposits	2,032	2,029
Purchase of securities	(1,999)	(9,996)
Proceeds from redemption of securities	2,000	10,001
Purchase of investment securities	(0)	(90)
Purchase of property, plant and equipment	(2,478)	(1,234)
Proceeds from sale of property, plant and equipment	27	32
Purchase of intangible assets	(38)	(29)
Payments for transfer of business	(810)	(90)
Net cash provided by (used in) investing activities	(3,296)	(1,430)
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	-	(3,964)
Cash dividends paid	(1,871)	(2,243)
Net cash provided by (used in) financing activities	(1,871)	(6,207)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	13	110
<b>Net change in cash and cash equivalents</b>	(2,800)	(5,207)
<b>Cash and cash equivalents, beginning of year</b>	42,062	41,840
<b>Cash and cash equivalents, end of year</b>	39,262	36,632

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

(Additional information)

(Revision of amounts of deferred tax assets and deferred tax liabilities due to change in corporate tax rate, etc.)

With the announcement on March 31, 2015 of the “Revision of the Local Tax Law” (Legislation No.2, 2015) and “Partial Amendment of Income Tax Law” (Law No. 9, 2015), the corporate tax rate will change from the consolidated fiscal year beginning from April 1, 2015.

As a result, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities will be lowered from 35.5% to 33.0% for temporary differences expected to be used for the fiscal year beginning from October 1, 2015, and to 32.2% for fiscal years beginning on or after October 1, 2016.

Due to these changes in tax rates, there was a decrease of 205 million yen in deferred tax assets (after deducting deferred tax liabilities), and a 227 million yen increase in income taxes - deferred.

(Notes on Significant Changes in Shareholders' Equity)

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

As a result, in the first half ended March 31, 2015, additional paid-in capital and retained earnings decreased by 3,484 million yen and 479 million yen, respectively.

(Segment information)

I Consolidated results for the previous first half (October 1, 2013 to March 31, 2014) 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	17,380	6,645	574	24,600	—	24,600
(2) Intersegment sales	—	—	78	78	(78)	—
Total	17,380	6,645	653	24,679	(78)	24,600
Segment income (loss)	5,166	415	(19)	5,563	(920)	4,643

(Note 1) Intersegment eliminations totaling 131 million yen and unallocated corporate expenses totaling (1,052) million yen have been included in the segment income (loss) adjustment totaling (920) 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

II Consolidated results for the first half (October 1, 2014 to March 31, 2015) 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	16,494	6,186	954	23,635	—	23,635
(2) Intersegment sales	—	—	53	53	(53)	—
Total	16,494	6,186	1,007	23,688	(53)	23,635
Segment income (loss)	4,239	460	(122)	4,577	(1,014)	3,563

(Note 1) Intersegment eliminations totaling 282 million yen and unallocated corporate expenses totaling (1,296) million yen have been included in the segment income (loss) adjustment totaling (1,014) 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)

Not applicable