

February 3, 2016

## Noevir Holdings Announces 2016 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 5, 2016      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, 2016 (October 1, 2015 – December 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 attributable to owners of the parent
First quarter ended December 31, 2015	14,138 10.9%	2,690 7.5%	2,758 (2.8)%	941 (16.2)%
First quarter ended December 31, 2014	12,751 (0.5)%	2,503 (4.2)%	2,837 3.1 %	1,122 (11.2)%

Note: Comprehensive income:

First quarter ended December 31, 2015: 1,100 million yen (15.8%)

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

	EPS (Yen)	Diluted EPS (Yen)
First quarter ended December 31, 2015	26.55	—
First quarter ended December 31, 2014	30.65	—

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
First quarter ended December 31, 2015	88,602	52,153	58.7
Year ended September 30, 2015	87,348	54,598	62.4

[Reference] Equity:

First quarter ended December 31, 2015: 52,025 million yen      Year ended September 30, 2015: 54,483 million yen

### 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2015	—	0.00	—	100.00	100.00
Year ending September 30, 2016	—				
Year ending September 30, 2016 (forecast)		0.00	—	100.00	100.00

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

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2016  
(October 1, 2015 – September 30, 2016)

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

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of the parent		EPS (Yen)
Half year	24,300	2.8%	3,200	(10.2)%	3,300	(16.0)%	1,200	(20.0)%	33.85
Full year	50,500	2.3%	7,700	1.5%	7,900	(2.4)%	5,100	4.3%	143.86

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

Note: For details, please refer to “(3) Changes in accounting policies, accounting estimates, restatements, etc.” under “2. Summary information (Notes)” on page 6 of this report.

(4) Shares outstanding (common stock)

1) Shares outstanding (including treasury stock)

As of December 31, 2015: 35,451,653

As of September 30, 2015: 35,451,653

2) Treasury shares outstanding

As of December 31, 2015: 30

As of September 30, 2015: 0

3) Average shares outstanding over quarter

As of December 31, 2015: 35,451,643

As of December 31, 2014: 36,641,925

\* 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 5 the Attached Material.

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# 1. Qualitative information regarding quarterly consolidated business performance

## (1) Operating results

Consolidated operating results for the first quarter (October 1, 2015 to December 31, 2015)

	First quarter ended December 31, 2014		First quarter ended December 31, 2015		Change (Millions of yen)	Change (%)
	Sales (Millions of yen)	% of total sales	Sales (Millions of yen)	% of total sales		
Cosmetics	9,526	74.7	10,617	75.1	1,090	11.4
Pharmaceuticals & Health Food	3,021	23.7	3,356	23.7	335	11.1
Other	203	1.6	164	1.2	(39)	(19.4)
Total sales	12,751	100.0	14,138	100.0	1,386	10.9

	First quarter ended December 31, 2014		First quarter ended December 31, 2015		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales		
Operating income	2,503	19.6	2,690	19.0	186	7.5
Ordinary income	2,837	22.3	2,758	19.5	(79)	(2.8)
Net income attributable to owners of the parent	1,122	8.8	941	6.7	(181)	(16.2)

During the first quarter of fiscal 2016 (October 1 to December 31, 2015), the Japanese economy continued to recover gradually as a trend mainly due to improvements in corporate earnings and the employment situation. However, the outlook remained uncertain, partly due to concerns over unstable trends in economies overseas.

The cosmetics market in Japan—the Group’s main business domain—has saturated and matured, while consumer needs have continued to change, particularly in showing greater diversity and segmentation.

Under these circumstances, net sales for the first quarter ended December 31, 2015 came to 14,138 million yen (up 10.9% year on year). Operating income was 2,690 million yen (up 7.5%), ordinary income totaled 2,758 million (down 2.8%), and net income attributable to owners of the parent came to 941 million yen (down 16.2%).

On January 19, 2016, Tokiwa Pharmaceutical Co., Ltd., a consolidated subsidiary of the Company, announced a voluntary recall of its medicated cough drops from the market. The Company has recorded 410 million yen as the estimated costs related to the voluntary recall as a subsequent event in its consolidated financial statements for the first quarter ended December 31, 2015.

Sales in the Cosmetics segment totaled 10,617 million yen (up 11.4% year on year), and segment income came to 3,469 million yen (up 17.1%). The launch of a new aging care skincare lotion and other products underscored a firm trend in sales of cosmetics sold through individual consultation. Sales of self-selection cosmetics increased on the back of the launch of new products and aggressive spending on marketing.

Sales in the Pharmaceutical & Health Food segment totaled 3,356 million yen (up 11.1% year on year), and segment loss came to 185 million yen (compared with a segment income of 163 million yen in the first quarter of the previous fiscal year). Sales of pharmaceuticals and pharmaceutical drinks increased, while sales of nutritional supplements were about the same year on year. As a subsequent event, 410 million yen was recorded as the estimated costs related to the voluntary recall of medicated cough drops. This caused the segment’s operating performance to decline from the previous fiscal year.

Sales in the Other segment came to 164 million yen (down 19.4% year on year), while segment loss came to 104 million yen (compared with a segment loss of 105 million yen in the first quarter of the previous fiscal year). Sales in the apparel-related business firmed year on year while sales in the aviation-related business decreased due to unstable demand from the European and U.S. markets.

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, 2015 stood at 88,602 million yen, an increase of 1,254 million yen over the previous fiscal year-end. This was mainly due to increases in investment securities of 9,998 million yen, property, plant and equipment of 1,595 million yen, notes and accounts receivable of 1,196 million yen, and other receivables of 1,048 million yen, partly offset by a decrease in cash and cash equivalents of 13,283 million yen.

Total liabilities came to 36,449 million yen, an increase of 3,699 million yen over the previous fiscal year-end. This was mainly due to increases in lease obligations (non-current) of 1,365 million yen, and notes and accounts payable of 1,084 million yen.

Net assets came to 52,153 million yen, a decrease of 2,444 million yen from the previous fiscal year-end. This was primarily attributable to a decrease in additional paid-in capital of 2,603 million yen, due to the payment of 3,545 million yen in dividends, which absorbed an increase of 941 million yen in net income attributable to owners of the parent.

As a result, the equity ratio stood at 58.7%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis for the period under review stood at 24,457 million yen, a decrease of 12,682 million yen compared with the 37,139 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 first quarter ended December 31, 2015 are presented as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 738 million yen (22 million yen more than in the corresponding period of the previous fiscal year). The main items increasing cash were the posting of 2,755 million yen in income before income taxes and an increase of 1,097 million yen in trade payables. The main item decreasing cash was the payment of 2,865 million yen in income taxes.

(Cash flows from investing activities)

Net cash used in investing activities came to 9,923 million yen (3,237 million yen less than in the corresponding period of the previous fiscal year). This was mainly due to using 9,996 million yen for purchasing securities.

(Cash flows from financing activities)

Net cash used in investing activities came to 3,501 million yen (2,668 million yen less than in corresponding period of the previous fiscal year). This was mainly due to the payment of 3,494 million yen in dividends.

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

The consolidated business performance forecasts for the first half and full year ending September 30, 2016, announced on November 10, 2015, remain 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)

Effective October 1, 2015, the Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013, hereinafter the "Business Combination Accounting Standard"), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013, hereinafter the "Consolidated Accounting Standard") and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013, hereinafter the "Business Divestiture Accounting Standard"). As a result, gain or loss arising from a change in the Company's equity in subsidiaries in cases where control is retained was revised to a method recognizing them as an adjustment to capital surplus, along with recognizing the acquisition costs in connection with business combinations as expenses in the consolidated fiscal year in which they arise. At the same time, for business combinations that take place on or after October 1, 2015, the disclosure method was revised so as to restate the distribution of acquisition cost upon provisional accounting recognition in the statements of the fiscal year in which the combination took place. In addition, the presentation of quarterly net income, etc. was changed, and the presentation of minority interest was changed to the presentation of non-controlling interests. As a result, the consolidated financial statements were restated for the first quarter and the full term of the previous fiscal year.

With regard to the adoption of the Business Combination Accounting Standard and other accounting standards, the Company has adopted the Business Combination Accounting Standard from October 1, 2015, the beginning of the first quarter ended December 31, 2015 onward in accordance with the transitional treatment set forth in Article 58-2 (4) of the Business Combination Accounting Standard, Article 44-5 (4) of the Consolidated Accounting Standard, and Article 57-4 (4) of the Business Divestiture Accounting Standard.

The effect of this change on the quarterly consolidated financial statements for the first quarter ended December 31, 2015 was negligible.

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

(Millions of yen)

	Previous fiscal year (As of September 30, 2015)	As of December 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	37,832	24,549
Notes and accounts receivable	10,814	12,011
Securities	—	9,998
Merchandise and finished goods	5,555	6,088
Work in progress	140	121
Raw materials and purchased supplies	1,167	1,077
Deferred tax assets	888	1,006
Other receivables	2,302	3,351
Other	501	540
Allowance for doubtful accounts	(31)	(30)
Total current assets	59,170	58,714
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	4,406	4,841
Equipment and vehicles, net	3,439	4,564
Land	13,834	13,841
Lease assets, net	283	1,615
Construction in progress	1,291	—
Other, net	265	254
Total property, plant and equipment	23,521	25,117
Intangible assets		
Goodwill	140	129
Software	99	161
Other	157	86
Total intangible assets	397	377
Investments and other assets		
Investment securities	1,272	1,425
Deferred tax assets	1,846	1,841
Other	1,180	1,167
Allowance for doubtful accounts	(41)	(40)
Total investments and other assets	4,258	4,393
Total non-current assets	28,177	29,888
<b>Total assets</b>	87,348	88,602

(Millions of yen)

	Previous fiscal year (As of September 30, 2015)	As of December 31, 2015
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	5,038	6,123
Lease obligations	28	100
Other accounts payable	3,842	4,330
Income tax payable	1,475	1,510
Reserve for bonuses	65	41
Reserve for product returns	429	744
Other	1,098	1,555
Total current liabilities	11,979	14,406
<b>Long-term liabilities</b>		
Lease obligations	274	1,640
Guarantee deposits received	15,351	15,204
Deferred tax liabilities	258	301
Net defined benefit liability	4,735	4,760
Other	150	136
Total long-term liabilities	20,770	22,042
<b>Total liabilities</b>	32,749	36,449
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Retained earnings	46,915	44,311
Treasury stock	—	(0)
Total shareholders' equity	54,234	51,630
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	377	480
Foreign currency translation adjustments	(59)	(53)
Remeasurements of defined benefit plans, net of tax	(68)	(32)
Total accumulated other comprehensive income	248	394
Non-controlling interests	115	128
<b>Total net assets</b>	54,598	52,153
<b>Total liabilities and net assets</b>	87,348	88,602



(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income  
First quarter of the fiscal year ending September 30, 2016

(Millions of yen)

	First quarter ended December 31, 2014	First quarter ended December 31, 2015
<b>Net sales</b>	12,751	<b>14,138</b>
<b>Cost of sales</b>	4,065	<b>4,946</b>
Gross profit	8,686	<b>9,191</b>
<b>Selling, general and administrative expenses</b>	6,183	<b>6,501</b>
Operating income	2,503	<b>2,690</b>
<b>Non-operating income</b>		
Interest income	4	<b>5</b>
Dividend income	5	<b>5</b>
Lease income	17	<b>18</b>
Exchange differences	209	<b>14</b>
Other	97	<b>28</b>
Total	334	<b>71</b>
<b>Non-operating expenses</b>		
Interest expenses	—	<b>0</b>
Other	0	<b>1</b>
Total	0	<b>2</b>
Ordinary income	2,837	<b>2,758</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	3	—
Total	3	—
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	0	<b>3</b>
Total	0	<b>3</b>
<b>Income before income taxes</b>	2,840	<b>2,755</b>
<b>Income taxes – basic</b>	1,570	<b>1,934</b>
<b>Income taxes – deferred</b>	133	<b>(136)</b>
<b>Total</b>	1,703	<b>1,798</b>
<b>Net income</b>	1,136	<b>957</b>
<b>Net income attributable to non-controlling interests</b>	13	<b>15</b>
<b>Net income attributable to owners of the parent</b>	1,122	<b>941</b>

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	First quarter ended December 31, 2014	<b>First quarter ended December 31, 2015</b>
Net income	1,136	<b>957</b>
Other comprehensive income		
Net unrealized gain on other securities	39	<b>102</b>
Foreign currency translation adjustments	121	<b>4</b>
Remeasurements of defined benefit plans, net of tax	9	<b>36</b>
Total	170	<b>143</b>
Comprehensive income	1,307	<b>1,100</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,287	<b>1,086</b>
Comprehensive income attributable to non-controlling interests	19	<b>13</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	First quarter ended December 31, 2014	First quarter ended December 31, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes	2,840	2,755
Depreciation	256	347
Amortization of goodwill	11	11
Increase (decrease) in reserve for doubtful accounts	(6)	(2)
Increase (decrease) in reserve for bonuses	(223)	(24)
Increase (decrease) in reserve for product returns	17	315
Increase (decrease) in net defined benefit liability	(30)	24
Interest and dividends received	(10)	(10)
Interest expenses	—	0
Gain/loss on currency translation	(200)	(11)
Gain/loss on sales of property, plant and equipment	(2)	3
Decrease (increase) in trade receivables	(442)	(1,195)
Decrease (increase) in inventories	(212)	(422)
Increase (decrease) in trade payables	386	1,097
Increase (decrease) in guarantee deposits	(161)	(147)
Other	233	853
Subtotal	2,455	3,595
Interest and dividends received	6	8
Interest paid	—	(0)
Income tax (paid) refunded	(1,745)	(2,865)
Net cash provided by (used in) operating activities	716	738
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(2,012)	(19)
Proceeds from withdrawal of time deposits	12	619
Purchase of securities	(9,996)	(9,996)
Purchase of investment securities	(0)	(0)
Purchase of property, plant and equipment	(1,104)	(505)
Proceeds from sale of property, plant and equipment	11	0
Purchase of intangible assets	(0)	(22)
Payments for transfer of business	(70)	—
Net cash provided by (used in) investing activities	(13,160)	(9,923)
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	(3,964)	(0)
Cash dividends paid	(2,205)	(3,494)
Other	—	(7)
Net cash provided by (used in) financing activities	(6,169)	(3,501)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	106	4
<b>Net change in cash and cash equivalents</b>	(18,507)	(12,682)
<b>Cash and cash equivalents, beginning of year</b>	41,840	37,139
<b>Cash and cash equivalents, end of year</b>	23,332	24,457

(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)  
 Not applicable

(Business segment information)

I Consolidated results for the previous 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

II Consolidated results for the first quarter (October 1, 2015 to December 31, 2015) of fiscal 2016

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	10,617	3,356	164	14,138	—	14,138
(2) Intersegment sales	—	—	40	40	(40)	—
Total	10,617	3,356	204	14,178	(40)	14,138
Segment income (loss)	3,469	(185)	(104)	3,179	(489)	2,690

(Note 1) Intersegment eliminations totaling 166 million yen and unallocated corporate expenses totaling (655 million) yen have been included in the segment income (loss) adjustment totaling (489 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