

August 1, 2018

## Noevir Holdings Announces Consolidated Results for the First Nine Months of the Fiscal Year Ending September 30, 2018 (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange, First Section (Securities Code: 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: August 3, 2018      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 nine months of the fiscal year ending September 30, 2018 (October 1, 2017 – June 30, 2018)

\* 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	
Nine months ended June 30, 2018	43,677	6.2%	9,176	9.3%	9,282	7.8%	4,383	0.3%
Nine months ended June 30, 2017	41,145	6.8%	8,394	30.4%	8,607	35.5%	4,368	52.9%

Note: Comprehensive income:

Nine months ended June 30, 2018: 4,472 million yen (10.0)%

Nine months ended June 30, 2017: 4,967 million yen 78.1%

	EPS (Yen)	Diluted EPS (Yen)
Nine months ended June 30, 2018	127.55	—
Nine months ended June 30, 2017	123.24	—

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
Nine months ended June 30, 2018	80,366	48,547	60.1
Year ended September 30, 2017	93,567	59,365	63.2

[Reference] Equity:

Nine months ended June 30, 2018: 48,297 million yen

Year ended September 30, 2017: 59,175 million yen

### 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2017	—	0.00	—	150.00	150.00
Year ending September 30, 2018	—	0.00	—		
Year ending September 30, 2018 (forecast)				150.00	150.00

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

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2018  
(October 1, 2017 – September 30, 2018)

(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)
Full year	56,000	2.8%	10,700	7.1%	10,900	5.9%	7,300	3.1%	212.75

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, 2018: 34,156,623
    - As of September 30, 2017: 35,451,653
  - 2) Treasury shares outstanding
    - As of June 30, 2018: 56
    - As of September 30, 2017: 30
  - 3) Average shares outstanding over quarter
    - As of June 30, 2018: 34,365,314
    - As of June 30, 2017: 35,451,623

\* Quarterly financial results are not audited by a certified public accountant or audit company.

\* 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 of the Attached Material.

Contents of the Attached Material

1. Qualitative information regarding quarterly consolidated business performance .....	4
(1) Operating results .....	4
(2) Financial position .....	5
(3) Estimates and forecasts pertaining to future plans and business results .....	5
2. Quarterly consolidated financial statements and notes.....	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 the quarterly consolidated financial statements .....	11
(Note on assumptions for going concern) .....	11
(Note on significant changes in the amount of shareholders' equity).....	11
(Segment information) .....	12

1. Qualitative information regarding quarterly consolidated business performance

(1) Operating results

Consolidated operating results for the first nine months of the fiscal year ending September 30, 2018 (October 1, 2017 to June 30, 2018)

	Nine months ended June 30, 2017		Nine months ended June 30, 2018		Change (Millions of yen)	Change (%)
	Sales (Millions of yen)	% of total sales	Sales (Millions of yen)	% of total sales		
Total sales	41,145	100.0	43,677	100.0	2,532	6.2
Cosmetics	30,177	73.4	32,890	75.3	2,713	9.0
Pharmaceuticals & Health Food	9,719	23.6	9,370	21.5	(349)	(3.6)
Other	1,248	3.0	1,415	3.2	167	13.4

	Nine months ended June 30, 2017		Nine months ended June 30, 2018		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales		
Operating income	8,394	20.4	9,176	21.0	782	9.3
Ordinary income	8,607	20.9	9,282	21.3	675	7.8
Net income attributable to owners of the parent	4,368	10.6	4,383	10.0	14	0.3

During the first nine months of fiscal 2018 (the fiscal year ending September 30, 2018) (October 1, 2017 to June 30, 2018), the Japanese economy continued expanding gradually, mainly due to further improvements in corporate earnings and the employment situation. However, economic trends remained uncertain due to fluctuations in foreign exchange rates and uncertainty in economies overseas, among other factors.

In domestic and overseas markets where the Group conducts business operations, diverse latent consumer demand is anticipated.

Under these circumstances, the Group's operating results for the first nine months of fiscal 2018 were as follows. Net sales came to 43,677 million yen (up 6.2% year on year). Operating income was 9,176 million yen (up 9.3%), ordinary income totaled 9,282 million yen (up 7.8%), and net income attributable to owners of the parent came to 4,383 million yen (up 0.3%).

In the Cosmetics segment, sales totaled 32,890 million yen (up 9.0% year on year), and segment income came to 9,925 million yen (up 10.4%). Face-to-face channel cosmetics saw solid sales for high-end basic skincare lines. Self-selection cosmetics continued to deliver strong sales.

In the Pharmaceutical & Health Food segment, sales totaled 9,370 million yen (down 3.6% year on year), and segment income came to 819 million yen (down 4.0%).

In the Other segment, sales came to 1,415 million yen (up 13.4% year on year), while segment income was 122 million yen (up 71.2%).

## (2) Financial position

Total assets as of June 30, 2018 stood at 80,366 million yen, a decrease of 13,200 million yen from the previous fiscal year-end. This was mainly due to a decrease in cash and cash equivalents of 13,116 million yen.

Total liabilities came to 31,818 million yen, a decrease of 2,383 million yen from the previous fiscal year-end. This was mainly due to a decrease in notes and accounts payable of 2,156 million yen.

Net assets came to 48,547 million yen, a decrease of 10,817 million yen from the previous fiscal year-end. This was primarily attributable to a decrease in retained earnings of 10,905 million yen due to cancellation of treasury stock of 9,971 million yen, a decrease due to payment of 5,317 million yen in dividends at the previous fiscal year-end, and recording of net income attributable to owners of the parent of 4,383 million yen.

As a result, the equity ratio stood at 60.1%.

### (Consolidated cash flow)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis for the period under review stood at 27,237 million yen, a decrease of 13,113 million yen compared with the 40,350 million yen at the previous fiscal year-end.

The status of each cash flow together with the factors contributing to their increase or decrease for the first nine months of fiscal 2018 are presented as follows.

### (Cash flows from operating activities)

Net cash provided by operating activities amounted to 3,175 million yen (3,556 million yen less than in the corresponding period of the previous fiscal year). The main item increasing cash was the posting of 9,294 million yen in income before income taxes. The main items decreasing cash were net income tax paid of 4,024 million yen and decrease in trade payables of 2,149 million yen.

### (Cash flows from investing activities)

Net cash used in investing activities came to 888 million yen (314 million yen less than in the corresponding period of the previous fiscal year). The principal cash outflow was 1,009 million yen for purchase of property, plant and equipment.

### (Cash flows from financing activities)

Net cash used in financing activities came to 15,372 million yen (11,031 million yen more than in the corresponding period of the previous fiscal year). This was mainly due purchase of treasury stock of 9,971 million yen and the payment of 5,313 million yen in dividends.

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

The consolidated business performance forecasts for the full year ending September 30, 2018, announced on November 7, 2017, remain unchanged.

2. Quarterly consolidated financial statements and notes  
(1) Quarterly consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of September 30, 2017)	As of <b>June 30, 2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	40,424	<b>27,307</b>
Notes and accounts receivable	11,922	<b>11,716</b>
Merchandise and finished goods	5,859	<b>6,613</b>
Work in progress	107	<b>124</b>
Raw materials and purchased supplies	1,240	<b>1,437</b>
Deferred tax assets	782	<b>679</b>
Other receivables	3,250	<b>2,902</b>
Other	633	<b>568</b>
Allowance for doubtful accounts	(20)	<b>(17)</b>
Total current assets	64,200	<b>51,333</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	4,477	<b>4,258</b>
Equipment and vehicles, net	3,505	<b>2,879</b>
Land	13,716	<b>13,716</b>
Lease assets, net	1,439	<b>1,358</b>
Construction in progress	54	<b>682</b>
Other, net	192	<b>218</b>
Total property, plant and equipment	23,384	<b>23,112</b>
Intangible assets		
Goodwill	48	<b>14</b>
Software	153	<b>116</b>
Other	85	<b>97</b>
Total intangible assets	288	<b>227</b>
Investments and other assets		
Investment securities	2,438	<b>2,487</b>
Net defined benefit asset	161	<b>200</b>
Deferred tax assets	1,861	<b>1,782</b>
Other	1,270	<b>1,247</b>
Allowance for doubtful accounts	(38)	<b>(25)</b>
Total investments and other assets	5,693	<b>5,692</b>
Total non-current assets	29,366	<b>29,033</b>
<b>Total assets</b>	<b>93,567</b>	<b>80,366</b>

(Millions of yen)

	Previous fiscal year (As of September 30, 2017)	As of June 30, 2018
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	5,860	3,704
Lease obligations	116	115
Other accounts payable	3,077	3,257
Income tax payable	1,993	2,134
Reserve for bonuses	83	46
Reserve for product returns	388	417
Other	1,166	985
Total current liabilities	12,687	10,662
<b>Long-term liabilities</b>		
Lease obligations	1,438	1,353
Guarantee deposits received	14,323	13,950
Deferred tax liabilities	422	433
Net defined benefit liability	5,196	5,285
Other	134	134
Total long-term liabilities	21,515	21,156
<b>Total liabilities</b>	34,202	31,818
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Retained earnings	51,243	40,337
Treasury stock	(0)	(0)
Total shareholders' equity	58,562	47,656
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	819	886
Foreign currency translation adjustments	(107)	(148)
Remeasurements of defined benefit plans, net of tax	(99)	(97)
Total accumulated other comprehensive income	612	641
Non-controlling interests	189	250
<b>Total net assets</b>	59,365	48,547
<b>Total liabilities and net assets</b>	93,567	80,366

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income  
First nine months of the fiscal year ending September 30, 2018

(Millions of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
<b>Net sales</b>	41,145	<b>43,677</b>
<b>Cost of sales</b>	13,740	<b>15,134</b>
Gross profit	27,404	<b>28,542</b>
<b>Selling, general and administrative expenses</b>	19,010	<b>19,365</b>
Operating income	8,394	<b>9,176</b>
<b>Non-operating income</b>		
Interest income	4	<b>5</b>
Dividend income	12	<b>13</b>
Exchange differences	22	—
Settlement received	87	<b>9</b>
Compensation for damages received	5	<b>18</b>
Other	82	<b>74</b>
Total	214	<b>121</b>
<b>Non-operating expenses</b>		
Exchange differences	—	<b>12</b>
Other	1	<b>2</b>
Total	1	<b>15</b>
Ordinary income	8,607	<b>9,282</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	177	<b>10</b>
Gain on sales of investment securities	—	<b>40</b>
Gain on revision of retirement benefit plan	37	—
Total	215	<b>50</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	6	<b>39</b>
Impairment loss	199	—
Total	206	<b>39</b>
<b>Income before income taxes</b>	8,616	<b>9,294</b>
<b>Income taxes – basic</b>	4,143	<b>4,685</b>
<b>Income taxes – deferred</b>	58	<b>160</b>
<b>Total</b>	4,201	<b>4,845</b>
<b>Net income</b>	4,415	<b>4,448</b>
<b>Net income attributable to non-controlling interests</b>	46	<b>64</b>
<b>Net income attributable to owners of the parent</b>	4,368	<b>4,383</b>



Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended June 30, 2017	<b>Nine months ended June 30, 2018</b>
Net income	4,415	<b>4,448</b>
Other comprehensive income		
Net unrealized gain on other securities	231	<b>66</b>
Foreign currency translation adjustments	181	<b>(45)</b>
Remeasurements of defined benefit plans, net of tax	139	<b>2</b>
Total	552	<b>23</b>
Comprehensive income	4,967	<b>4,472</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,909	<b>4,412</b>
Comprehensive income attributable to non-controlling interests	58	<b>60</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
<b>Cash flows from operating activities</b>		
Income before income taxes	8,616	<b>9,294</b>
Depreciation	1,304	<b>1,360</b>
Impairment loss	199	—
Amortization of goodwill	34	<b>34</b>
Increase (decrease) in reserve for doubtful accounts	(8)	<b>(16)</b>
Increase (decrease) in reserve for bonuses	(18)	<b>(36)</b>
Increase (decrease) in reserve for product returns	42	<b>29</b>
Increase (decrease) in net defined benefit asset and liability	(168)	<b>49</b>
Interest and dividends received	(17)	<b>(18)</b>
Gain (loss) on currency translation	(8)	<b>(0)</b>
Gain (loss) on sales of investment securities	—	<b>(40)</b>
Gain (loss) on sales of property, plant and equipment	(171)	<b>29</b>
Gain on revision of retirement benefit plan	(37)	—
Decrease (increase) in trade receivables	(481)	<b>208</b>
Decrease (increase) in inventories	(397)	<b>(979)</b>
Increase (decrease) in trade payables	823	<b>(2,149)</b>
Increase (decrease) in guarantee deposits	(405)	<b>(372)</b>
Other	176	<b>(210)</b>
Subtotal	9,480	<b>7,182</b>
Interest and dividends received	16	<b>17</b>
Income tax (paid) refunded	(2,764)	<b>(4,024)</b>
Net cash provided by (used in) operating activities	6,732	<b>3,175</b>
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(70)	<b>(72)</b>
Proceeds from withdrawal of time deposits	70	<b>72</b>
Purchase of investment securities	(269)	<b>(1)</b>
Proceeds from sales of investment securities	—	<b>90</b>
Purchase of property, plant and equipment	(1,315)	<b>(1,009)</b>
Proceeds from sale of property, plant and equipment	423	<b>35</b>
Purchase of intangible assets	(42)	<b>(3)</b>
Net cash provided by (used in) investing activities	(1,203)	<b>(888)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	—	<b>(9,971)</b>
Cash dividends paid	(4,252)	<b>(5,313)</b>
Other	(88)	<b>(87)</b>
Net cash provided by (used in) financing activities	(4,340)	<b>(15,372)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	123	<b>(27)</b>
<b>Net change in cash and cash equivalents</b>	1,311	<b>(13,113)</b>
<b>Cash and cash equivalents, beginning of the period</b>	37,895	<b>40,350</b>
<b>Cash and cash equivalents, end of the period</b>	39,207	<b>27,237</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 7, 2017, the Company adopted a resolution to purchase and cancell treasury stock. On November 9, the Company purchased 1,295,000 shares (9,971 million yen) of treasury stock, and on November 28, it cancelled 1,295,030 shares (9,971 million yen) of treasury stock.

As a result, retained earnings decreased by 9,971 million yen in the first nine months of fiscal 2018.

(Segment information)

I Consolidated results for the first nine months of the fiscal year ended September 30, 2017  
(October 1, 2016 to June 30, 2017)

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	30,177	9,719	1,248	41,145	—	41,145
(2) Intersegment sales	—	—	131	131	(131)	—
Total	30,177	9,719	1,379	41,276	(131)	41,145
Segment income	8,991	853	71	9,916	(1,522)	8,394

(Note 1) Intersegment eliminations totaling 404 million yen and unallocated corporate expenses totaling (1,926) million yen have been included in the segment income adjustment totaling (1,522) 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

(Significant impairment loss related to property, plant and equipment)

In the Cosmetics and the Pharmaceuticals & Health Food segments, the Company has written down the carrying amount of land and buildings of facilities that are to be sold to the recoverable amount and recognized the amount of the write-down as impairment losses.

The impairment losses for the first nine months of fiscal 2017 were recognized as 189 million yen in the Cosmetics segment and 10 million yen in the Pharmaceuticals & Health Food segment.

II Consolidated results for the first nine months of the fiscal year ending September 30, 2018  
(October 1, 2017 to June 30, 2018)

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	32,890	9,370	1,415	43,677	—	43,677
(2) Intersegment sales	—	—	142	142	(142)	—
Total	32,890	9,370	1,558	43,819	(142)	43,677
Segment income	9,925	819	122	10,867	(1,690)	9,176

(Note 1) Intersegment eliminations totaling 523 million yen and unallocated corporate expenses totaling (2,214) million yen have been included in the segment income adjustment totaling (1,690) 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