

July 30, 2019

## Noevir Holdings Announces Consolidated Results for the First Nine Months of the Fiscal Year Ending September 30, 2019 (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange, First Section (Securities Code: 4928)  
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Submission of securities report: August 2, 2019      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, 2019 (October 1, 2018 – June 30, 2019)

\* 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, 2019	44,618	2.2%	9,408	2.5%	9,561	3.0%	4,930	12.5%
Nine months ended June 30, 2018	43,677	6.2%	9,176	9.3%	9,282	7.8%	4,383	0.3%

Note: Comprehensive income:

Nine months ended June 30, 2019: 4,823 million yen 7.9%

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

	EPS (Yen)	Diluted EPS (Yen)
Nine months ended June 30, 2019	144.35	—
Nine months ended June 30, 2018	127.55	—

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
Nine months ended June 30, 2019	81,701	50,651	61.7
Year ended September 30, 2018	82,809	51,998	62.6

[Reference] Equity:

Nine months ended June 30, 2019: 50,416 million yen

Year ended September 30, 2018: 51,836 million yen

### 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2018	—	0.00	—	180.00	180.00
Year ending September 30, 2019	—	0.00	—	180.00	180.00
Year ending September 30, 2019 (forecast)				180.00	180.00

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

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2019  
(October 1, 2018 – September 30, 2019)

(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	59,500	2.9%	11,700	3.1%	11,900	2.8%	8,000	2.0%	234.22

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, 2019: 34,156,623
    - As of September 30, 2018: 34,156,623
  - 2) Treasury shares outstanding
    - As of June 30, 2019: 56
    - As of September 30, 2018: 56
  - 3) Average shares outstanding over quarter
    - As of June 30, 2019: 34,156,567
    - As of June 30, 2018: 34,365,314

\* 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.

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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, 2019 (October 1, 2018 to June 30, 2019)

	Nine months ended June 30, 2018		Nine months ended June 30, 2019		Change (Millions of yen)	Change (%)
	Sales (Millions of yen)	% of total sales	Sales (Millions of yen)	% of total sales		
Total sales	43,677	100.0	44,618	100.0	940	2.2
Cosmetics	32,890	75.3	34,267	76.8	1,376	4.2
Pharmaceuticals & Health Food	9,370	21.5	8,982	20.1	(387)	(4.1)
Other	1,415	3.2	1,367	3.1	(48)	(3.4)

	Nine months ended June 30, 2018		Nine months ended June 30, 2019		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales		
Operating income	9,176	21.0	9,408	21.1	231	2.5
Ordinary income	9,282	21.3	9,561	21.4	278	3.0
Net income attributable to owners of the parent	4,383	10.0	4,930	11.1	546	12.5

During the first nine months (October 1, 2018 to June 30, 2019) of fiscal 2019 (the fiscal year ending September 30, 2019), the Japanese economy continued recovering gradually, mainly due to further improvements in corporate earnings and the employment situation. However, economic trends remained opaque due to uncertainty in economies overseas, among other factors.

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

In this environment, the Company is working to realize the concept of its medium-term management plan: “Realizing steady corporate growth by securing sustainability in every Group business segment.”

As a result, net sales for the first nine months of fiscal 2019 came to 44,618 million yen (up 2.2% year on year), operating income was 9,408 million yen (up 2.5%), ordinary income amounted to 9,561 million yen (up 3.0%), and net income attributable to owners of the parent came to 4,930 million yen (up 12.5%).

In the Cosmetics segment, net sales totaled 34,267 million yen (up 4.2% year on year), and segment income came to 10,275 million yen (up 3.5%). Face-to-face channel cosmetics saw brisk sales for high-end lines. Self-selection cosmetics continued to deliver strong sales.

In the Pharmaceutical & Health Food segment, net sales totaled 8,982 million yen (down 4.1% year on year), and segment income came to 1,054 million yen (up 28.7%). Profits increased mainly because of efficient management of selling, general and administrative (SG&A) expenses.

In the Other segment, net sales came to 1,367 million yen (down 3.4% year on year), while segment income was 37 million yen (down 69.6%).

(2) Financial position

Total assets on a consolidated basis as of June 30, 2019 stood at 81,701 million yen, a decrease of 1,108 million yen from the previous fiscal year-end. This was mainly due to decreases of 1,777 million yen in other receivables and 1,089 million yen in cash and cash equivalents, and increases of 1,123 million yen in merchandise and finished goods and 531 million yen in buildings and structures.

Total liabilities came to 31,050 million yen, an increase of 239 million yen from the previous fiscal year-end. This was mainly due to increases of 444 million yen in notes and accounts payable and 322 million yen in current liabilities—other, and decreases of 389 million yen in guarantee deposits received and 179 million yen in income tax payable.

Net assets came to 50,651 million yen, a decrease of 1,347 million yen from the previous fiscal year-end. This was primarily attributable to payment of 6,148 million yen in dividends at the previous fiscal year-end and a decrease in retained earnings of 1,241 million yen, which were partly offset by net income attributable to owners of the parent of 4,930 million yen.

As a result, the equity ratio stood at 61.7%.

(Consolidated cash flow)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis for the period under review stood at 27,393 million yen, a decrease of 1,307 million yen compared with the 28,701 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 2019 on a consolidated basis are presented as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 6,888 million yen (3,713 million yen more than in the corresponding period of the previous fiscal year). The main item increasing cash was the posting of 9,563 million yen in income before income taxes, while the principal cash outflow came from net income tax paid of 2,821 million yen.

(Cash flows from investing activities)

Net cash used in investing activities came to 1,880 million yen (991 million yen more than in the corresponding period of the previous fiscal year). The principal cash outflow was 1,607 million yen for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities came to 6,233 million yen (9,138 million yen less than in the corresponding period of the previous fiscal year). This was mainly due to the payment of 6,146 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, 2019, announced on November 7, 2018, remain unchanged.

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

(Millions of yen)

	Previous fiscal year (As of September 30, 2018)	As of June 30, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	28,775	27,685
Notes and accounts receivable	11,764	11,308
Merchandise and finished goods	6,618	7,741
Work in progress	104	89
Raw materials and purchased supplies	1,448	1,576
Other receivables	4,087	2,309
Other	546	578
Allowance for doubtful accounts	(23)	(28)
Total current assets	53,321	51,262
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	4,259	4,791
Equipment and vehicles, net	2,717	2,640
Land	13,716	13,713
Lease assets, net	1,331	1,254
Construction in progress	601	765
Other, net	222	252
Total property, plant and equipment	22,849	23,417
Intangible assets		
Goodwill	2	310
Software	131	125
Other	91	78
Total intangible assets	225	515
Investments and other assets		
Investment securities	2,490	2,435
Net defined benefit asset	192	230
Deferred tax assets	2,477	2,393
Other	1,277	1,491
Allowance for doubtful accounts	(25)	(44)
Total investments and other assets	6,413	6,506
Total non-current assets	29,488	30,439
<b>Total assets</b>	82,809	81,701

(Millions of yen)

	Previous fiscal year (As of September 30, 2018)	As of June 30, 2019
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Notes and accounts payable	3,000	3,445
Lease obligations	115	113
Other accounts payable	3,119	3,048
Income tax payable	2,155	1,975
Reserve for bonuses	81	61
Reserve for product returns	391	388
Other	938	1,261
Total current liabilities	9,802	10,294
<b>Long-term liabilities</b>		
Lease obligations	1,325	1,244
Guarantee deposits received	13,875	13,485
Deferred tax liabilities	432	480
Net defined benefit liability	5,240	5,185
Other	135	360
Total long-term liabilities	21,008	20,756
<b>Total liabilities</b>	<b>30,811</b>	<b>31,050</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Retained earnings	43,796	42,555
Treasury stock	(0)	(0)
Total shareholders' equity	51,115	49,874
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	913	838
Foreign currency translation adjustments	(97)	(209)
Remeasurements of defined benefit plans, net of tax	(95)	(86)
Total accumulated other comprehensive income	720	541
Non-controlling interests	162	235
<b>Total net assets</b>	<b>51,998</b>	<b>50,651</b>
<b>Total liabilities and net assets</b>	<b>82,809</b>	<b>81,701</b>

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income  
First nine months of the fiscal year ending September 30, 2019

(Millions of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
<b>Net sales</b>	43,677	<b>44,618</b>
<b>Cost of sales</b>	15,134	<b>15,670</b>
Gross profit	28,542	<b>28,947</b>
<b>Selling, general and administrative expenses</b>	19,365	<b>19,538</b>
Operating income	9,176	<b>9,408</b>
<b>Non-operating income</b>		
Interest income	5	<b>6</b>
Dividend income	13	<b>11</b>
Insurance income	1	<b>60</b>
Other	101	<b>86</b>
Total	121	<b>164</b>
<b>Non-operating expenses</b>		
Exchange differences	12	<b>11</b>
Other	2	<b>0</b>
Total	15	<b>11</b>
Ordinary income	9,282	<b>9,561</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	10	<b>2</b>
Gain on sales of investment securities	40	<b>—</b>
Total	50	<b>2</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	39	<b>0</b>
Total	39	<b>0</b>
<b>Income before income taxes</b>	9,294	<b>9,563</b>
<b>Income taxes – basic</b>	4,685	<b>4,431</b>
<b>Income taxes – deferred</b>	160	<b>117</b>
<b>Total</b>	4,845	<b>4,549</b>
<b>Net income</b>	4,448	<b>5,014</b>
<b>Net income attributable to non-controlling interests</b>	64	<b>83</b>
<b>Net income attributable to owners of the parent</b>	4,383	<b>4,930</b>



Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended June 30, 2018	<b>Nine months ended June 30, 2019</b>
Net income	4,448	<b>5,014</b>
Other comprehensive income		
Net unrealized gain on other securities	66	<b>(75)</b>
Foreign currency translation adjustments	(45)	<b>(123)</b>
Remeasurements of defined benefit plans, net of tax	2	<b>8</b>
Total	23	<b>(190)</b>
Comprehensive income	4,472	<b>4,823</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,412	<b>4,751</b>
Comprehensive income attributable to non-controlling interests	60	<b>72</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
<b>Cash flows from operating activities</b>		
Income before income taxes	9,294	9,563
Depreciation	1,360	1,290
Amortization of goodwill	34	2
Increase (decrease) in reserve for doubtful accounts	(16)	25
Increase (decrease) in reserve for bonuses	(36)	(23)
Increase (decrease) in reserve for product returns	29	(2)
Increase (decrease) in net defined benefit asset and liability	49	(92)
Interest and dividends received	(18)	(17)
Gain (loss) on currency translation	(0)	1
Gain (loss) on sales of investment securities	(40)	—
Gain (loss) on sales of property, plant and equipment	29	(1)
Decrease (increase) in trade receivables	208	413
Decrease (increase) in inventories	(979)	(1,272)
Increase (decrease) in trade payables	(2,149)	452
Increase (decrease) in guarantee deposits	(372)	(389)
Other	(210)	(254)
Subtotal	7,182	9,694
Interest and dividends received	17	16
Income tax (paid) refunded	(4,024)	(2,821)
Net cash provided by (used in) operating activities	3,175	6,888
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(72)	(70)
Proceeds from withdrawal of time deposits	72	70
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	90	—
Purchase of property, plant and equipment	(1,009)	(1,607)
Proceeds from sale of property, plant and equipment	35	5
Purchase of intangible assets	(3)	(14)
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(263)
Net cash provided by (used in) investing activities	(888)	(1,880)
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	(9,971)	—
Cash dividends paid	(5,313)	(6,146)
Other	(87)	(86)
Net cash provided by (used in) financing activities	(15,372)	(6,233)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(27)	(82)
<b>Net change in cash and cash equivalents</b>	(13,113)	(1,307)
<b>Cash and cash equivalents, beginning of the period</b>	40,350	28,701
<b>Cash and cash equivalents, end of the period</b>	27,237	27,393

(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

(Additional information)

Adoption of "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc."

The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc."

(Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) from the beginning of the three months ended December 31, 2018. Accordingly, deferred tax assets have been presented under investments and other assets and deferred tax liabilities have been presented under long-term liabilities.

(Segment information)

I Consolidated results for the first nine months of the fiscal year ended 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

II Consolidated results for the first nine months of the fiscal year ending September 30, 2019  
(October 1, 2018 to June 30, 2019)

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	34,267	8,982	1,367	44,618	—	44,618
(2) Intersegment sales	—	—	127	127	(127)	—
Total	34,267	8,982	1,495	44,745	(127)	44,618
Segment income	10,275	1,054	37	11,366	(1,958)	9,408

(Note 1) Intersegment eliminations totaling 520 million yen and unallocated corporate expenses totaling (2,478) million yen have been included in the segment income adjustment totaling (1,958) 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