

January 29, 2021

## Noevir Holdings Announces Consolidated Results for the First Three Months of the Fiscal Year Ending September 30, 2021 (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: February 5, 2021      Date of commencement of dividend payments: –

Supplemental materials for the financial results prepared: None

Results briefing for the reporting period held: None

(Amounts under one million yen have been rounded down)

### 1. Operating results for the first three months of the fiscal year ending September 30, 2021 (October 1, 2020 – December 31, 2020)

#### (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
Three months ended December 31, 2020	13,872 (10.3)%	3,025 (10.5)%	3,068 (10.4)%	1,087 (19.9)%
Three months ended December 31, 2019	15,469 (4.7)%	3,382 (15.9)%	3,425 (15.7)%	1,358 (12.6)%

Note: Comprehensive income:

Three months ended December 31, 2020: 1,365 million yen [(16.0)%]

Three months ended December 31, 2019: 1,625 million yen [20.1%]

	EPS (Yen)	Diluted EPS (Yen)
Three months ended December 31, 2020	31.84	—
Three months ended December 31, 2019	39.78	—

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
Three months ended December 31, 2020	76,326	46,603	60.7
Year ended September 30, 2020	80,052	52,243	64.9

[Reference] Equity:

As of December 31, 2020: 46,299 million yen

As of September 30, 2020: 51,978 million yen

## 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2020	—	0.00	—	205.00	205.00
Year ending September 30, 2021	—				
Year ending September 30, 2021 (forecast)		0.00	—	205.00	205.00

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

## 3. Consolidated earnings forecasts for the fiscal year ending September 30, 2021 (October 1, 2020 – September 30, 2021)

(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	25,500	(8.2)%	4,000	(21.1)%	4,100	(20.2)%	1,900	(20.8)%	55.63
Full year	52,500	1.3%	9,000	11.7%	9,200	11.6%	6,300	12.1%	184.45

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 December 31, 2020: 34,156,623

As of September 30, 2020: 34,156,623

2) Treasury shares outstanding

As of December 31, 2020: 104

As of September 30, 2020: 104

3) Average shares outstanding over quarter

Three months ended December 31, 2020: 34,156,519

Three months ended December 31, 2019: 34,156,567

\* 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 three months of the fiscal year ending September 30, 2021 (October 1, 2020 to December 31, 2020)

	Three months ended December 31, 2019		Three months ended December 31, 2020		Change (Millions of yen)	Change (%)
	Sales (Millions of yen)	% of total sales	Sales (Millions of yen)	% of total sales		
Total sales	15,469	100.0	13,872	100.0	(1,597)	(10.3)
Cosmetics	12,150	78.5	10,929	78.8	(1,220)	(10.0)
Pharmaceuticals & Health Food	2,863	18.5	2,775	20.0	(87)	(3.1)
Other	456	3.0	167	1.2	(288)	(63.4)

	Three months ended December 31, 2019		Three months ended December 31, 2020		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales		
Operating income	3,382	21.9	3,025	21.8	(356)	(10.5)
Ordinary income	3,425	22.1	3,068	22.1	(356)	(10.4)
Net income attributable to owners of the parent	1,358	8.8	1,087	7.8	(271)	(19.9)

During the first three months of fiscal 2021 (October 1, 2020 to December 31, 2020), the Japanese economy faced a difficult situation, as corporate earnings and the employment situation remained severe and economic trends grew increasingly uncertain due to the COVID-19 pandemic.

The Group has been impacted by the COVID-19 pandemic in markets where it conducts business operations. 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 three months of fiscal 2021 came to 13,872 million yen (down 10.3% year on year), operating income was 3,025 million yen (down 10.5%), ordinary income amounted to 3,068 million yen (down 10.4%), and net income attributable to owners of the parent came to 1,087 million yen (down 19.9%).

In the Cosmetics segment, net sales totaled 10,929 million yen (down 10.0% year on year), and segment income came to 3,271 million yen (down 12.0%). Sales were sluggish in face-to-face channel cosmetics and self-selection cosmetics due to the impact of the COVID-19 pandemic.

In the Pharmaceuticals & Health Food segment, net sales totaled 2,775 million yen (down 3.1% year on year), and segment income came to 440 million yen (up 26.4%).

In the Other segment, net sales came to 167 million yen (down 63.4% year on year), while segment income was 16 million yen (down 38.9%).

## (2) Financial position

Total assets as of December 31, 2020 stood at 76,326 million yen, a decrease of 3,726 million yen from the previous fiscal year-end. This was mainly due to a decrease in cash and cash equivalents of 3,648 million yen.

Total liabilities came to 29,722 million yen, an increase of 1,912 million yen from the previous fiscal year-end. This result was mainly due to increases of 1,129 million yen in current liabilities (other) and 361 million yen in notes and accounts payable.

Net assets came to 46,603 million yen, a decrease of 5,639 million yen from the previous fiscal year-end. This was primarily attributable to a decrease in retained earnings of 5,917 million yen, reflecting a payment of 7,002 million yen in dividends at the previous fiscal year-end, which was partially offset by net income attributable to owners of the parent of 1,087 million yen.

As a result, 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 25,550 million yen, a decrease of 3,648 million yen compared with the previous fiscal year-end.

The status of each cash flow together with the factors contributing to their increase or decrease for the first three months of fiscal 2021 are presented as follows.

### (Cash flows from operating activities)

Net cash provided by operating activities amounted to 3,397 million yen (49 million yen less than in the corresponding period of the previous fiscal year). The main item increasing cash was the posting of 3,068 million yen in income before income taxes.

### (Cash flows from investing activities)

Net cash used in investing activities came to 93 million yen (185 million yen less than in the corresponding period of the previous fiscal year). The principal cash outflow was 92 million yen for purchase of property, plant and equipment.

### (Cash flows from financing activities)

Net cash used in financing activities came to 6,964 million yen (165 million yen more than in the corresponding period of the previous fiscal year). This was mainly due to the payment of 6,936 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, 2021, announced on November 5, 2020, remain unchanged.

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

(Millions of yen)

	Previous fiscal year (As of September 30, 2020)	As of December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	29,456	25,807
Notes and accounts receivable	9,229	10,117
Merchandise and finished goods	6,603	6,425
Work in progress	90	84
Raw materials and purchased supplies	1,384	1,330
Other receivables	3,032	2,274
Other	638	573
Allowance for doubtful accounts	(19)	(17)
Total current assets	50,416	46,596
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	5,628	5,565
Equipment and vehicles, net	1,631	1,479
Land	13,920	13,920
Lease assets, net	1,130	1,104
Construction in progress	490	514
Other, net	221	216
Total property, plant and equipment	23,023	22,801
Intangible assets		
Goodwill	271	263
Software	83	93
Other	75	75
Total intangible assets	430	432
Investments and other assets		
Investment securities	2,064	2,418
Deferred tax assets	2,570	2,548
Other	1,569	1,550
Allowance for doubtful accounts	(22)	(21)
Total investments and other assets	6,181	6,495
Total non-current assets	29,636	29,729
<b>Total assets</b>	80,052	76,326

(Millions of yen)

	Previous fiscal year (As of September 30, 2020)	As of December 31, 2020
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable	2,148	2,509
Lease obligations	112	112
Other accounts payable	2,402	2,543
Income tax payable	1,109	1,344
Reserve for bonuses	101	56
Reserve for product returns	472	566
Other	1,233	2,363
Total current liabilities	7,580	9,497
<b>Long-term liabilities</b>		
Lease obligations	1,112	1,084
Guarantee deposits received	12,894	12,770
Deferred tax liabilities	596	697
Net defined benefit liability	5,250	5,297
Other	375	375
Total long-term liabilities	20,229	20,225
<b>Total liabilities</b>	27,809	29,722
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Retained earnings	43,662	37,744
Treasury stock	(0)	(0)
Total shareholders' equity	50,980	45,062
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	1,236	1,481
Foreign currency translation adjustments	(203)	(206)
Remeasurements of defined benefit plans, net of tax	(35)	(37)
Total accumulated other comprehensive income	997	1,236
Non-controlling interests	265	303
<b>Total net assets</b>	52,243	46,603
<b>Total liabilities and net assets</b>	80,052	76,326

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income  
First three months of the fiscal year ending September 30, 2021

(Millions of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
<b>Net sales</b>	15,469	<b>13,872</b>
<b>Cost of sales</b>	5,461	<b>4,667</b>
Gross profit	10,008	<b>9,204</b>
<b>Selling, general and administrative expenses</b>	6,626	<b>6,179</b>
Operating income	3,382	<b>3,025</b>
<b>Non-operating income</b>		
Interest income	2	<b>1</b>
Dividend income	6	<b>8</b>
Exchange differences	7	<b>1</b>
Other	28	<b>31</b>
Total	44	<b>43</b>
<b>Non-operating expenses</b>		
Other	1	<b>0</b>
Total	1	<b>0</b>
Ordinary income	3,425	<b>3,068</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	0	<b>0</b>
Total	0	<b>0</b>
<b>Income before income taxes</b>	3,425	<b>3,068</b>
<b>Income taxes – basic</b>	1,996	<b>1,930</b>
<b>Income taxes – deferred</b>	39	<b>17</b>
<b>Total</b>	2,035	<b>1,948</b>
<b>Net income</b>	1,389	<b>1,120</b>
<b>Net income attributable to non-controlling interests</b>	31	<b>32</b>
<b>Net income attributable to owners of the parent</b>	1,358	<b>1,087</b>



Quarterly consolidated statements of comprehensive income  
 First three months of the fiscal year ending September 30, 2021

(Millions of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
<b>Net income</b>	1,389	<b>1,120</b>
<b>Other comprehensive income</b>		
Net unrealized gain on other securities	144	<b>244</b>
Foreign currency translation adjustments	83	<b>2</b>
Remeasurements of defined benefit plans, net of tax	7	<b>(2)</b>
Total	235	<b>245</b>
<b>Comprehensive income</b>	1,625	<b>1,365</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,586	<b>1,326</b>
Comprehensive income attributable to non-controlling interests	39	<b>38</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
<b>Cash flows from operating activities</b>		
Income before income taxes	3,425	3,068
Depreciation	392	328
Amortization of goodwill	7	7
Increase (decrease) in reserve for doubtful accounts	(20)	(2)
Increase (decrease) in reserve for bonuses	(40)	(43)
Increase (decrease) in reserve for product returns	30	93
Increase (decrease) in net defined benefit asset and liability	(49)	46
Interest and dividends received	(8)	(10)
Loss (gain) on currency translation	(0)	2
Loss (gain) on sales of disposal of non-current assets	0	0
Decrease (increase) in trade receivables	(582)	(885)
Decrease (increase) in inventories	504	234
Increase (decrease) in trade payables	419	358
Increase (decrease) in guarantee deposits	(134)	(124)
Other	1,331	1,275
Subtotal	5,275	4,351
Interest and dividends received	7	8
Income tax (paid) refunded	(1,836)	(962)
Net cash provided by (used in) operating activities	3,446	3,397
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(27)	(17)
Proceeds from withdrawal of time deposits	27	17
Purchase of investment securities	(0)	(0)
Purchase of property, plant and equipment	(276)	(92)
Purchase of intangible assets	(2)	(0)
Net cash provided by (used in) investing activities	(278)	(93)
<b>Cash flows from financing activities</b>		
Cash dividends paid	(6,770)	(6,936)
Other	(28)	(27)
Net cash provided by (used in) financing activities	(6,798)	(6,964)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	46	(4)
<b>Net change in cash and cash equivalents</b>	(3,584)	(3,664)
<b>Cash and cash equivalents, beginning of the period</b>	30,448	29,199
<b>Increase (decrease) in cash and cash equivalents resulting from changes in the accounting period of consolidated subsidiaries</b>	-	16
<b>Cash and cash equivalents, end of the period</b>	26,863	25,550

(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)

(Accounting estimates concerning the impact of the COVID-19 pandemic)

There are no major changes from the accounting estimates concerning the impact of the COVID-19 pandemic that were included in the "Additional Information" section of the securities report for the fiscal year ended September 30, 2020.

(Segment information)

I Consolidated results for the first three months of the fiscal year ended September 30, 2020  
(October 1, 2019 to December 31, 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	12,150	2,863	456	15,469	—	15,469
(2) Intersegment sales	—	—	62	62	(62)	—
Total	12,150	2,863	518	15,531	(62)	15,469
Segment income (loss)	3,717	348	27	4,092	(710)	3,382

(Note 1) Intersegment eliminations totaling 190 million yen and unallocated corporate expenses totaling (901) million yen have been included in the segment income adjustment totaling (710) 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 three months of the fiscal year ending September 30, 2021  
(October 1, 2020 to December 31, 2020)

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	10,929	2,775	167	13,872	—	13,872
(2) Intersegment sales	—	—	66	66	(66)	—
Total	10,929	2,775	233	13,938	(66)	13,872
Segment income	3,271	440	16	3,728	(702)	3,025

(Note 1) Intersegment eliminations totaling 210 million yen and unallocated corporate expenses totaling (913) million yen have been included in the segment income adjustment totaling (702) 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