

May 11, 2022

## Noevir Holdings Announces Consolidated Results for the First Six Months of the Fiscal Year Ending September 30, 2022 (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.  
 Listing: Tokyo Stock Exchange, Prime Market (Securities Code: 4928)  
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Submission of securities report: May 13, 2022      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)

(Amounts under one million yen have been rounded down)

### 1. Operating results for the first six months of the fiscal year ending September 30, 2022 (October 1, 2021 – March 31, 2022)

#### (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
Six months ended March 31, 2022	30,161    –%	5,229    –%	5,327    –%	2,982    –%
Six months ended March 31, 2021	25,860 (6.9)%	4,529 (10.6)%	4,626 (9.9)%	2,004 (16.4)%

Note: Comprehensive income:

Six months ended March 31, 2022: 3,142 million yen [–]%

Six months ended March 31, 2021: 2,292 million yen [(8.2)]%

	EPS (Yen)	Diluted EPS (Yen)
Six months ended March 31, 2022	87.31	—
Six months ended March 31, 2021	58.67	—

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the three months ended December 31, 2021. The figures for the first six months of the fiscal year ending September 30, 2022 are presented after application of this accounting standard, etc. Therefore, year-on-year changes for these figures are not disclosed.

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
Six months ended March 31, 2022	74,354	47,728	63.7
Year ended September 30, 2021	80,448	52,233	64.5

[Reference] Equity:

Six months ended March 31, 2022: 47,328 million yen

Year ended September 30, 2021: 51,926 million yen

## 2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Year ended September 30, 2021	—	0.00	—	210.00	210.00
Year ending September 30, 2022	—	0.00			
Year ending September 30, 2022 (forecast)			—	210.00	210.00

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

## 3. Consolidated earnings forecasts for the fiscal year ending September 30, 2022 (October 1, 2021 – September 30, 2022)

(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	58,500	14.1%	9,200	7.5%	9,400	4.8%	6,500	1.8%	190.30

Note: Revisions from the most recently announced consolidated earnings forecast: None

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the fiscal year ending September 30, 2022. If figures for the fiscal year ended September 30, 2021 were calculated based on the same standard, net sales for the full fiscal year would be expected to increase by 0.3% year on year.

These changes are expected to have a negligible impact on operating income, ordinary income, and net income attributable to owners of the parent.

### \* 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, 2022: 34,156,623

As of September 30, 2021: 34,156,623

2) Treasury shares outstanding

As of March 31, 2022: 239

As of September 30, 2021: 235

3) Average shares outstanding over quarter

Six months ended March 31, 2022: 34,156,387

Six months ended March 31, 2021: 34,156,510

\* 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

During the first six months of fiscal 2022 (October 1, 2021 to March 31, 2022), economic trends remained uncertain, mainly due to the continuing impact of 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 six months of fiscal 2022 came to 30,161 million yen, operating income was 5,229 million yen, ordinary income amounted to 5,327 million yen, and net income attributable to owners of the parent came to 2,982 million yen.

In the Cosmetics segment, sales totaled 23,743 million yen, and segment income came to 5,435 million yen.

In the Pharmaceuticals & Health Food segment, sales totaled 5,450 million yen, and segment income came to 766 million yen.

In the Other segment, sales came to 967 million yen, and segment income came to 166 million yen.

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the three months ended December 31, 2021. As a result, the accounting treatment of revenue differs from that for the six months ended March 31, 2021, so business performance is explained without presenting year-on-year changes. If operating results for the fiscal year ended September 30, 2021 had been calculated based on the same standard, the year-on-year changes in operating results for the six months ended March 31, 2022 would have been as follows: an increase of 1.5% year on year in net sales, an increase of 12.5% year on year in operating income and an increase of 12.3% in ordinary income.

## (2) Financial position

Total assets as of March 31, 2022 stood at 74,354 million yen, a decrease of 6,093 million yen from the previous fiscal year-end. This was mainly due to decreases in cash and cash equivalents of 3,805 million yen, deferred tax assets of 558 million yen and other receivables of 461 million yen, respectively.

Total liabilities came to 26,626 million yen, a decrease of 1,588 million yen from the previous fiscal year-end. The main changes were a decrease of 5,015 million yen in net defined benefit liability and increases of 1,823 million yen in other under long-term liabilities and 1,280 million yen in other under current liabilities, respectively.

Net assets came to 47,728 million yen, a decrease of 4,505 million yen from the previous fiscal year-end. This was primarily attributable to a decrease in retained earnings of 4,665 million yen, due to payment of 7,172 million yen in dividends at the previous fiscal year-end, which was partly offset by net income attributable to owners of the parent of 2,982 million yen.

As a result, the equity ratio stood at 63.7%.

## (Consolidated cash flow)

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis for the period under review stood at 27,031 million yen, a decrease of 3,809 million yen compared to the previous fiscal year-end.

The status of each cash flow together with the factors contributing to their increase or decrease for the first six months of fiscal 2022 are presented as follows.

## (Cash flows from operating activities)

Net cash provided by operating activities amounted to 3,575 million yen (1,225 million yen less than in the corresponding period of the previous fiscal year). The main factors increasing cash were increases of 6,288 million yen in income before income taxes and in accounts payable due to transition to a retirement benefit plan of 2,876 million yen, and the main factors decreasing cash were decreases of 4,054 million yen in net defined benefit asset and liability and 1,864 million yen in income tax (paid) refunded.

## (Cash flows from investing activities)

Net cash used in investing activities came to 362 million yen (11 million yen more than in the corresponding period of the previous fiscal year). The principal cash outflow was 334 million yen for purchase of property, plant and equipment.

## (Cash flows from financing activities)

Net cash used in financing activities came to 7,218 million yen (164 million yen more than in the corresponding period of the previous fiscal year). This was mainly due to the payment of 7,162 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, 2022, announced on November 9, 2021, remain unchanged.

## 2. Quarterly consolidated financial statements and notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of September 30, 2021)	As of March 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	31,101	27,295
Notes and accounts receivable	9,307	9,040
Merchandise and finished goods	5,951	5,503
Work in progress	116	183
Raw materials and purchased supplies	1,263	1,478
Other receivables	2,836	2,374
Other	571	585
Allowance for doubtful accounts	(20)	(20)
Total current assets	51,128	46,441
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	5,322	5,164
Equipment and vehicles, net	1,418	1,115
Land	13,964	13,964
Lease assets, net	1,027	979
Construction in progress	122	188
Other, net	186	174
Total property, plant and equipment	22,041	21,586
Intangible assets		
Goodwill	240	224
Software	70	128
Other	120	90
Total intangible assets	431	444
Investments and other assets		
Investment securities	2,779	2,397
Deferred tax assets	2,705	2,147
Other	1,382	1,358
Allowance for doubtful accounts	(20)	(20)
Total investments and other assets	6,847	5,882
Total non-current assets	29,320	27,913
<b>Total assets</b>	<b>80,448</b>	<b>74,354</b>

(Millions of yen)

	Previous fiscal year (As of September 30, 2021)	As of March 31, 2022
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable	2,592	2,944
Lease obligations	112	106
Other accounts payable	2,401	3,125
Income tax payable	1,649	1,701
Reserve for bonuses	102	98
Reserve for product returns	589	—
Other	1,192	2,473
Total current liabilities	8,639	10,450
<b>Long-term liabilities</b>		
Lease obligations	1,000	955
Long-term guarantee deposits	12,415	12,205
Deferred tax liabilities	492	539
Net defined benefit liability	5,531	516
Other	136	1,959
Total long-term liabilities	19,575	16,176
<b>Total liabilities</b>	28,215	26,626
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	7,319	7,319
Retained earnings	43,040	38,375
Treasury stock	(1)	(1)
Total shareholders' equity	50,357	45,692
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	1,730	1,463
Foreign currency translation adjustments	(27)	188
Remeasurements of defined benefit plans, net of tax	(134)	(16)
Total accumulated other comprehensive income	1,568	1,635
<b>Non-controlling interests</b>	306	399
<b>Total net assets</b>	52,233	47,728
<b>Total liabilities and net assets</b>	80,448	74,354

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statements of income

(Millions of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
<b>Net sales</b>	25,860	<b>30,161</b>
<b>Cost of sales</b>	9,311	<b>9,193</b>
<b>Gross profit</b>	16,548	<b>20,968</b>
<b>Selling, general and administrative expenses</b>	12,019	<b>15,739</b>
<b>Operating income</b>	4,529	<b>5,229</b>
<b>Non-operating income</b>		
Interest income	3	4
Dividend income	8	8
Exchange differences	32	37
Other	51	48
Total	96	98
<b>Non-operating expenses</b>		
Other	0	0
Total	0	0
<b>Ordinary income</b>	4,626	<b>5,327</b>
<b>Extraordinary income</b>		
Gain on sale of fixed assets	2	3
Gain on revision of retirement benefit plan	—	961
Total	2	965
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	1	4
Total	1	4
<b>Income before income taxes</b>	4,627	<b>6,288</b>
<b>Income taxes – basic</b>	2,704	<b>2,374</b>
<b>Income taxes – deferred</b>	(135)	<b>877</b>
<b>Total</b>	2,568	<b>3,251</b>
<b>Net income</b>	2,059	<b>3,037</b>
<b>Net income attributable to non-controlling interests</b>	55	<b>54</b>
<b>Net income attributable to owners of the parent</b>	2,004	<b>2,982</b>



Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six months ended March 31, 2021	<b>Six months ended March 31, 2022</b>
<b>Net income</b>	2,059	<b>3,037</b>
<b>Other comprehensive income</b>		
Net unrealized gain on other securities	83	<b>(266)</b>
Foreign currency translation adjustments	155	<b>254</b>
Remeasurements of defined benefit plans, net of tax	(5)	<b>117</b>
Total	233	<b>105</b>
<b>Comprehensive income</b>	2,292	<b>3,142</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,211	<b>3,048</b>
Comprehensive income attributable to non-controlling interests	80	<b>93</b>

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	4,627	6,288
Depreciation	664	694
Amortization of goodwill	15	15
Increase (decrease) in reserve for doubtful accounts	(4)	(1)
Increase (decrease) in reserve for bonuses	0	(3)
Increase (decrease) in reserve for product returns	90	—
Increase (decrease) in net defined benefit asset and liability	49	(4,054)
Increase (decrease) in accounts payable due to transition to a retirement benefit plan	—	2,876
Interest and dividends received	(12)	(13)
Gain/loss on currency translation	(6)	(14)
Gain/loss on sales of property, plant and equipment	(1)	1
Gain on revision of retirement benefit plan	—	(961)
Decrease (increase) in trade receivables	(316)	(432)
Decrease (increase) in inventories	361	333
Increase (decrease) in trade payables	415	320
Increase (decrease) in guarantee deposits	(243)	(210)
Other	111	587
Subtotal	5,752	5,427
Interest and dividends received	11	11
Income tax (paid) refunded	(963)	(1,864)
Net cash provided by (used in) operating activities	4,800	3,575
<b>Cash flows from investing activities</b>		
Expenditure for deposit to time deposits	(123)	(121)
Proceeds from withdrawal of time deposits	123	121
Purchase of investment securities	(0)	(0)
Purchase of property, plant and equipment	(339)	(334)
Proceeds from sale of property, plant and equipment	9	11
Purchase of intangible assets	(19)	(38)
Net cash provided by (used in) investing activities	(350)	(362)
<b>Cash flows from financing activities</b>		
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(6,997)	(7,162)
Other	(55)	(56)
Net cash provided by (used in) financing activities	(7,053)	(7,218)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	124	196
<b>Net change in cash and cash equivalents</b>	(2,479)	(3,809)
<b>Cash and cash equivalents, beginning of the period</b>	29,199	30,841
<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>	26,735	27,031

(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

(Changes in accounting principles)

(Application of "Accounting Standard for Revenue Recognition", etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) (hereinafter, "Revenue Recognition Accounting Standards"), etc. from the beginning of the three months ended December 31, 2021. Under this accounting standard, the Company recognizes revenue as the amount of consideration it expects to obtain in exchange for promised goods or services when the control of the goods or services is transferred to customers. Moreover, the Company has applied the alternative treatment specified in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021). Under this alternative treatment, the Company recognizes revenue for merchandise and products sold in Japan upon shipment when there is a normal period of time from shipment until control of merchandise or products is transferred to customers.

As a result, while the Company previously recognized revenue upon sales to directly contracted sales representatives, the Company has switched to a method of recognizing this revenue upon shipment to customers. It has also switched to a method of recording sales commissions, which had previously been deducted from net sales, as selling, general and administrative expenses. Moreover, some sales promotion fees paid to customers, which had previously been recorded as selling, general and administrative expenses, are now deducted from net sales. Furthermore, the estimated loss on product returns for sales with product return options had previously been recorded as reserve for product returns. For these sales, the Company has switched to a method of recording refund liabilities for the projected product return component and for sales rebates, which had previously been recorded in estimated amounts, in accordance with rules on variable consideration for each of these items.

In applying the Revenue Recognition Accounting Standards, etc., the Company follows the transitional treatment set forth in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standards. The cumulative effect of retroactively applying the new accounting principles to periods prior to the beginning of the three months ended December 31, 2021, has been added to or subtracted from retained earnings at the beginning of the three months ended December 31, 2021, and the new accounting principles have been applied from the beginning balance of the three months ended December 31, 2021.

As a result, for the six months ended March 31, 2022, net sales decreased by 3,604 million yen, cost of sales decreased by 201 million yen, gross profit increased by 3,805 million yen, and selling, general and administrative expenses increased by 3,819 million yen. Operating income, ordinary income, and income before income taxes each decreased by 13 million yen. In addition, the balance of retained earnings at the beginning of the six months ended March 31, 2022 decreased by 474 million yen.

As a result of applying the Revenue Recognition Accounting Standards, etc., reserve for product returns, which was presented under current liabilities on the consolidated balance sheet for the previous fiscal year, has been included in other under current liabilities as refund liabilities, from the three months ended December 31, 2021. The Company has not reclassified the consolidated financial statements for the previous fiscal year using the new presentation method in accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standards. Furthermore, information about breakdown of revenue from contracts with customers for the first six months of the previous fiscal year (six months ended March 31, 2021) has not been presented in accordance with the transitional treatment stipulated in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12, March 31, 2020).

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) (hereinafter, "Fair Value Measurement Accounting Standards"), etc. from the beginning of the three months ended December 31, 2021. In accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standards and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will apply the new accounting policies set forth in the Fair Value Measurement Accounting Standards, etc. into the future. This will have no effect on the quarterly consolidated financial statements.

(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, 2021.

(Segment information)

I Consolidated results for the first six months of the fiscal year ended September 30, 2021  
(October 1, 2020 to March 31, 2021)

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						
Sales, external	19,655	5,359	845	25,860	—	25,860
Intersegment sales	—	—	129	129	(129)	—
Total	19,655	5,359	975	25,989	(129)	25,860
Segment income	5,123	691	87	5,902	(1,372)	4,529

(Note 1) Intersegment eliminations totaling 419 million yen and unallocated corporate expenses totaling (1,791) million yen have been included in the segment income adjustment totaling (1,372) 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 six months of the fiscal year ending September 30, 2022  
(October 1, 2021 to March 31, 2022)

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						
Revenue from contracts with customers	23,743	5,450	924	30,118	—	30,118
Other revenue	—	—	43	43	—	43
Sales, external	23,743	5,450	967	30,161	—	30,161
Intersegment sales	—	—	130	130	(130)	—
Total	23,743	5,450	1,098	30,292	(130)	30,161
Segment income	5,435	766	166	6,368	(1,139)	5,229

(Note 1) Intersegment eliminations totaling 254 million yen and unallocated corporate expenses totaling (1,393) million yen have been included in the segment income adjustment totaling (1,139) 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

### 3. Notes on changes in reportable segments

As described in changes in accounting principles, the Company has applied the Revenue Recognition Accounting Standards, etc. from the beginning of the three months ended December 31, 2021 and has changed its accounting treatment for revenue recognition. For this reason, the Company has made the same changes to its calculation method for income or loss of business segments.

As a result of these changes, for the six months ended March 31, 2022, net sales in the Cosmetics segment increased by 3,400 million yen while segment income decreased by 0 million yen; net sales in the Pharmaceuticals & Health Food segment increased by 143 million yen while segment income decreased by 11 million yen, and net sales in the Other segment increased by 60 million yen while segment income decreased by 1 million yen, compared to what would have been recorded under the previous method.