

Note: This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



May 9, 2024

Noevir Holdings Announces Consolidated Results for the First Six Months of the Fiscal Year Ending September 30, 2024 (based on Japan GAAP)

Trade name: Noevir Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange, Prime Market (Securities Code: 4928)
 URL: <https://www.noevirholdings.co.jp/>
 Representative: Takashi Okura, President and CEO
 Contact: Junya Baba, General Manager, Accounting
 Tel. +81-78-303-5121

Submission of securities report: May 14, 2024

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, 2024 (October 1, 2023 to March 31, 2024)

(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, 2024	31,625	2.4 %	6,165	7.2 %	6,246	7.5 %	2,597	(2.8) %
Six months ended March 31, 2023	30,896	2.4 %	5,750	10.0 %	5,809	9.0 %	2,672	(10.4) %

Note: Comprehensive income:

Six months ended March 31, 2024: 3,100 million yen [1.7%]

Six months ended March 31, 2023: 3,047 million yen [(3.0)%]

	EPS (Yen)	Diluted EPS (Yen)
Six months ended March 31, 2024	76.06	—
Six months ended March 31, 2023	78.23	—

(2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
As of March 31, 2024	75,104	48,791	64.3
As of September 30, 2023	77,246	53,205	68.3

[Reference] Equity:

As of March 31, 2024: 48,292 million yen

As of September 30, 2023: 52,790 million yen

2. Cash dividends

(Yen)

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Fiscal year ended September 30, 2023	—	0.00	—	220.00	220.00
Fiscal year ended September 30, 2024	—	0.00			
Fiscal year ending September 30, 2024 (forecast)			—	220.00	220.00

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

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2024 (October 1, 2023 to September 30, 2024)

(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	63,000	0.7%	11,200	1.6%	11,400	0.9%	7,800	1.6%	228.36

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 March 31, 2024: 34,156,623

As of September 30, 2023: 34,156,623

2) Treasury shares outstanding

As of March 31, 2024: 275

As of September 30, 2023: 270

3) Average shares outstanding over quarter

Six months ended March 31, 2024: 34,156,353

Six months ended March 31, 2023: 34,156,353

* 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	4
(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 six months of the fiscal year ending September 30, 2024
(October 1, 2023 to March 31, 2024)

	Six months ended March 31, 2023		Six months ended March 31, 2024		Change (Millions of yen)	Change (%)
	Net sales (Millions of yen)	% of Total	Net sales (Millions of yen)	% of Total		
Net sales	30,896	100.0	31,625	100.0	729	2.4
Cosmetics	24,091	78.0	25,103	79.4	1,011	4.2
Pharmaceuticals & Health Food	5,579	18.0	5,498	17.4	(81)	(1.5)
Other	1,225	4.0	1,024	3.2	(201)	(16.4)

	Six months ended March 31, 2023		Six months ended March 31, 2024		Change (Millions of yen)	Change (%)
	Amount (Millions of yen)	% of Net sales	Amount (Millions of yen)	% of Net sales		
Operating income	5,750	18.6	6,165	19.5	415	7.2
Ordinary income	5,809	18.8	6,246	19.8	436	7.5
Net income attributable to owners of the parent	2,672	8.6	2,597	8.2	(74)	(2.8)

During the first six months of fiscal 2024 (October 1, 2023 to March 31, 2024), economic trends remained uncertain, although some signs of gradual recovery were observed.

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 2024 came to 31,625 million yen (up 2.4% year on year), operating income was 6,165 million yen (up 7.2%), ordinary income was 6,246 million yen (up 7.5%), and net income attributable to owners of the parent came to 2,597 million yen (down 2.8%).

In the Cosmetics segment, net sales totaled 25,103 million yen (up 4.2% year on year), and segment income came to 6,507 million yen (up 5.4%).

In the Pharmaceuticals & Health Food segment, net sales totaled 5,498 million yen (down 1.5% year on year), and segment income came to 683 million yen (up 26.1%).

In the Other segment, net sales totaled 1,024 million yen (down 16.4% year on year), and segment income came to 150 million yen (down 8.8%).

(2) Financial position

Total assets as of March 31, 2024 stood at 75,104 million yen, a decrease of 2,141 million yen from the previous fiscal year-end. This was mainly due to a decrease in cash and cash equivalents of 1,671 million yen.

Total liabilities came to 26,312 million yen, an increase of 2,272 million yen from the previous fiscal year-end. This mainly reflected increases in income tax payable of 1,511 million yen and notes and accounts payable of 438 million yen.

Net assets came to 48,791 million yen, a decrease of 4,413 million yen from the previous fiscal year-end. This was primarily attributable to a decrease in retained earnings of 4,916 million yen, due to payment of 7,514 million yen in dividends at the previous fiscal year-end, which was partly offset by net income attributable to owners of the parent of 2,597 million yen.

As a result, the equity ratio stood at 64.3%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis as of the end of the period under review stood at 26,994 million yen, an increase of 828 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 six months of fiscal 2024 are presented as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 6,202 million yen (1,276 million yen more than in the corresponding period of the previous fiscal year). The main item increasing cash was 6,259 million yen in income before income taxes.

(Cash flows from investing activities)

Net cash provided by investing activities came to 2,156 million yen (an increase of 2,689 million yen from the net cash used in the corresponding period of the previous fiscal year). The principal cash inflow was 2,606 million yen in proceeds from withdrawal of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities came to 7,560 million yen (173 million yen more than in the corresponding period of the previous fiscal year). This was mainly due to the payment of 7,517 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, 2024, announced on November 7, 2023, remain unchanged.

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

(Millions of yen)

	Previous fiscal year (As of September 30, 2023)	As of March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	28,883	27,212
Notes and accounts receivable	10,495	10,512
Merchandise and finished goods	6,352	6,516
Work in progress	141	185
Raw materials and purchased supplies	1,653	1,859
Other receivables	3,057	1,545
Other	597	574
Allowance for doubtful accounts	(6)	(6)
Total current assets	51,175	48,400
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,887	4,727
Equipment and vehicles, net	650	577
Land	13,554	13,559
Lease assets, net	846	806
Construction in progress	71	257
Other, net	183	176
Total property, plant and equipment	20,193	20,104
Intangible assets		
Goodwill	178	162
Software	89	76
Other	431	732
Total intangible assets	699	972
Investments and other assets		
Investment securities	2,611	3,150
Deferred tax assets	1,455	1,414
Other	1,132	1,079
Allowance for doubtful accounts	(20)	(18)
Total investments and other assets	5,178	5,626
Total non-current assets	26,071	26,703
Total assets	77,246	75,104

(Millions of yen)

	Previous fiscal year (As of September 30, 2023)	As of March 31, 2024
LIABILITIES		
Current liabilities		
Notes and accounts payable	2,903	3,342
Lease obligations	87	86
Other accounts payable	3,012	3,149
Income tax payable	2,146	3,658
Reserve for bonuses	97	96
Other	2,258	2,494
Total current liabilities	10,506	12,827
Long-term liabilities		
Lease obligations	827	785
Guarantee deposits received	11,583	11,371
Deferred tax liabilities	461	668
Net defined benefit liability	534	539
Other	127	121
Total long-term liabilities	13,534	13,485
Total liabilities	24,040	26,312
NET ASSETS		
Shareholders' equity		
Common stock	7,319	7,319
Retained earnings	43,312	38,396
Treasury stock	(1)	(1)
Total shareholders' equity	50,629	45,713
Accumulated other comprehensive income		
Net unrealized gain on other securities	1,607	1,980
Foreign currency translation adjustments	558	600
Remeasurements of defined benefit plans, net of tax	(5)	(1)
Total accumulated other comprehensive income	2,160	2,579
Non-controlling interests	415	498
Total net assets	53,205	48,791
Total liabilities and net assets	77,246	75,104

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statements of income
First six months of the fiscal year ending September 30, 2024

(Millions of yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Net sales	30,896	31,625
Cost of sales	9,629	9,935
Gross profit	21,267	21,689
Selling, general and administrative expenses	15,517	15,524
Operating income	5,750	6,165
Non-operating income		
Interest income	12	19
Dividend income	11	12
Gain on currency translation	—	0
Other	74	48
Total	98	81
Non-operating expenses		
Loss on currency translation	39	—
Other	0	0
Total	39	0
Ordinary income	5,809	6,246
Extraordinary income		
Gain on sale of fixed assets	0	13
Total	0	13
Extraordinary losses		
Loss on disposal of fixed assets	1	0
Total	1	0
Income before income taxes	5,807	6,259
Income taxes – basic	2,999	3,502
Income taxes – deferred	48	84
Total	3,048	3,587
Net income	2,759	2,672
Net income attributable to non-controlling interests	87	74
Net income attributable to owners of the parent	2,672	2,597

Quarterly consolidated statements of comprehensive income
 First six months of the fiscal year ending September 30, 2024

(Millions of yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Net income	2,759	2,672
Other comprehensive income		
Net unrealized gain on other securities	467	372
Foreign currency translation adjustments	(182)	50
Remeasurements of defined benefit plans, net of tax	1	4
Total	287	428
Comprehensive income	3,047	3,100
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,975	3,017
Comprehensive income attributable to non-controlling interests	71	83

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	5,807	6,259
Depreciation	551	448
Amortization of goodwill	15	15
Increase (decrease) in reserve for doubtful accounts	(0)	(2)
Increase (decrease) in reserve for bonuses	(5)	(1)
Increase (decrease) in net defined benefit asset and liability	12	4
Increase (decrease) in accounts payable due to transition to a retirement benefit plan	(120)	(25)
Interest and dividends received	(23)	(31)
Loss (gain) on currency translation	18	(0)
Loss (gain) on sales of disposal of non-current assets	1	(13)
Decrease (increase) in trade receivables	(654)	(5)
Decrease (increase) in inventories	(161)	(395)
Increase (decrease) in trade payables	80	434
Increase (decrease) in guarantee deposits	(201)	(212)
Other	395	213
Subtotal	5,715	6,688
Interest and dividends received	22	29
Income tax (paid) refunded	(811)	(515)
Net cash provided by (used in) operating activities	4,926	6,202
Cash flows from investing activities		
Expenditure for deposit to time deposits	(105)	(106)
Proceeds from withdrawal of time deposits	105	2,606
Purchase of investment securities	(0)	(0)
Purchase of property, plant and equipment	(352)	(360)
Proceeds from sale of property, plant and equipment	0	21
Purchase of intangible assets	(179)	(3)
Net cash provided by (used in) investing activities	(532)	2,156
Cash flows from financing activities		
Purchase of treasury stock	—	(0)
Cash dividends paid	(7,336)	(7,517)
Other	(49)	(42)
Net cash provided by (used in) financing activities	(7,386)	(7,560)
Effects of exchange rate changes on cash and cash equivalents	(158)	29
Net change in cash and cash equivalents	(3,151)	828
Cash and cash equivalents, beginning of the period	29,530	26,166
Cash and cash equivalents, end of the period	26,378	26,994

(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

(Segment information)

I Consolidated results for the first six months of the fiscal year ending September 30, 2023
(October 1, 2022 to March 31, 2023)

1. Net 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	24,091	5,579	1,184	30,855	—	30,855
Other revenue	—	—	41	41	—	41
Sales, external	24,091	5,579	1,225	30,896	—	30,896
Intersegment sales	—	—	134	134	(134)	—
Total	24,091	5,579	1,359	31,031	(134)	30,896
Segment income	6,174	542	164	6,880	(1,130)	5,750

(Note 1) Intersegment eliminations totaling 270 million yen and unallocated corporate expenses totaling (1,401) million yen have been included in the segment income adjustment totaling (1,130) 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, 2024
(October 1, 2023 to March 31, 2024)

1. Net 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	25,103	5,498	979	31,580	—	31,580
Other revenue	—	—	44	44	—	44
Sales, external	25,103	5,498	1,024	31,625	—	31,625
Intersegment sales	—	—	135	135	(135)	—
Total	25,103	5,498	1,159	31,761	(135)	31,625
Segment income	6,507	683	150	7,341	(1,176)	6,165

(Note 1) Intersegment eliminations totaling 273 million yen and unallocated corporate expenses totaling (1,450) million yen have been included in the segment income adjustment totaling (1,176) 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