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August 6, 2024

Noevir Holdings Announces Consolidated Results for the First Nine 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)
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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 nine months of the fiscal year ending September 30, 2024 (October 1, 2023 to June 30, 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 | |
|---------------------------------|-----------|-------|------------------|--------|-----------------|--------|---|---------|
| Nine months ended June 30, 2024 | 48,238 | 2.9 % | 9,015 | 2.7 % | 9,169 | 2.3 % | 4,490 | (4.4) % |
| Nine months ended June 30, 2023 | 46,882 | 2.2 % | 8,781 | 10.3 % | 8,959 | 10.2 % | 4,695 | 0.9 % |

Note: Comprehensive income:
 Nine months ended June 30, 2024: 5,309 million yen [(2.6)%]
 Nine months ended June 30, 2023: 5,450 million yen [11.9%]

| | EPS (Yen) | Diluted EPS (Yen) |
|---------------------------------|-----------|-------------------|
| Nine months ended June 30, 2024 | 131.48 | — |
| Nine months ended June 30, 2023 | 137.48 | — |

(2) Consolidated financial position

(Millions of yen)

| | Total assets | Net assets | Equity ratio (%) |
|--------------------------|--------------|------------|------------------|
| As of June 30, 2024 | 75,443 | 50,999 | 66.8 |
| As of September 30, 2023 | 77,246 | 53,205 | 68.3 |

[Reference] Equity:
 As of June 30, 2024: 50,421 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 the scope of consolidation during the 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, 2024: 34,156,623

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

2) Treasury shares outstanding

As of June 30, 2024: 318

As of September 30, 2023: 270

3) Average shares outstanding over quarter

Nine months ended June 30, 2024: 34,156,345

Nine months ended June 30, 2023: 34,156,353

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. Operating results and financial information

(1) Operating results for the first nine months of the fiscal year ending September 30, 2024

Consolidated operating results for the first nine months of the fiscal year ending September 30, 2024
(October 1, 2023 to June 30, 2024)

| | Nine months ended June 30, 2023 | | Nine months ended June 30, 2024 | | Change (Millions of yen) | Change (%) |
|----------------------------------|------------------------------------|------------|------------------------------------|------------|-----------------------------|---------------|
| | Net sales (Millions of yen) | % of Total | Net sales (Millions of yen) | % of Total | | |
| Net sales | 46,882 | 100.0 | 48,238 | 100.0 | 1,356 | 2.9 |
| Cosmetics | 36,600 | 78.1 | 38,099 | 79.0 | 1,498 | 4.1 |
| Pharmaceuticals & Health Food | 8,646 | 18.4 | 8,265 | 17.1 | (381) | (4.4) |
| Other | 1,634 | 3.5 | 1,873 | 3.9 | 238 | 14.6 |

| | Nine months ended June 30, 2023 | | Nine months ended June 30, 2024 | | Change (Millions of yen) | Change (%) |
|---|------------------------------------|----------------|------------------------------------|----------------|-----------------------------|---------------|
| | Amount (Millions of yen) | % of Net sales | Amount (Millions of yen) | % of Net sales | | |
| Operating income | 8,781 | 18.7 | 9,015 | 18.7 | 234 | 2.7 |
| Ordinary income | 8,959 | 19.1 | 9,169 | 19.0 | 210 | 2.3 |
| Net income attributable to owners of the parent | 4,695 | 10.0 | 4,490 | 9.3 | (204) | (4.4) |

During the first nine months of fiscal 2024 (October 1, 2023 to June 30, 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 nine months of fiscal 2024 came to 48,238 million yen (up 2.9% year on year), operating income was 9,015 million yen (up 2.7%), ordinary income was 9,169 million yen (up 2.3%), and net income attributable to owners of the parent came to 4,490 million yen (down 4.4%).

In the Cosmetics segment, net sales totaled 38,099 million yen (up 4.1% year on year), and segment income came to 9,606 million yen (up 3.0%).

In the Pharmaceuticals & Health Food segment, net sales totaled 8,265 million yen (down 4.4% year on year), and segment income came to 954 million yen (down 4.9%).

In the Other segment, net sales totaled 1,873 million yen (up 14.6% year on year), and segment income came to 222 million yen (up 32.8%).

(2) Financial position as of June 30, 2024

Total assets as of June 30, 2024 stood at 75,443 million yen, a decrease of 1,803 million yen from the previous fiscal year-end. This was mainly due to a decrease in other receivables of 1,578 million yen.

Total liabilities came to 24,443 million yen, an increase of 402 million yen from the previous fiscal year-end. This mainly reflected an increase in notes and accounts payable of 520 million yen.

Net assets came to 50,999 million yen, a decrease of 2,205 million yen from the previous fiscal year-end.

This was primarily attributable to a decrease in retained earnings of 3,023 million yen, due to the 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 4,490 million yen.

As a result, the equity ratio stood at 66.8%.

(Consolidated cash flows)

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis as of the end of the period under review stood at 28,091 million yen, an increase of 1,925 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 nine months of fiscal 2024 are presented as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 7,533 million yen (1,578 million yen more than in the corresponding period of the previous fiscal year). The main item increasing cash was 9,185 million yen in income before income taxes.

(Cash flows from investing activities)

Net cash provided by investing activities came to 1,781 million yen (an increase of 2,625 million yen from the net cash used in the corresponding period of the previous fiscal year). The principal cash inflow was 2,697 million yen in proceeds from withdrawal of time deposits, whereas the principal cash outflows were 409 million yen for purchase of property, plant and equipment and 336 million yen for purchase of intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities came to 7,585 million yen (173 million yen more than in the corresponding period of the previous fiscal year). This was mainly due to the payment of 7,520 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 June 30, 2024 |
|--------------------------------------|---|------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 28,883 | 28,309 |
| Notes and accounts receivable | 10,495 | 10,323 |
| Merchandise and finished goods | 6,352 | 6,706 |
| Work in progress | 141 | 113 |
| Raw materials and purchased supplies | 1,653 | 1,567 |
| Other receivables | 3,057 | 1,479 |
| Other | 597 | 676 |
| Allowance for doubtful accounts | (6) | (6) |
| Total current assets | 51,175 | 49,169 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,887 | 4,650 |
| Equipment and vehicles, net | 650 | 712 |
| Land | 13,554 | 13,559 |
| Lease assets, net | 846 | 786 |
| Construction in progress | 71 | 3 |
| Other, net | 183 | 173 |
| Total property, plant and equipment | 20,193 | 19,885 |
| Intangible assets | | |
| Goodwill | 178 | 167 |
| Software | 89 | 74 |
| Other | 431 | 745 |
| Total intangible assets | 699 | 986 |
| Investments and other assets | | |
| Investment securities | 2,611 | 3,244 |
| Deferred tax assets | 1,455 | 1,090 |
| Other | 1,132 | 1,084 |
| Allowance for doubtful accounts | (20) | (18) |
| Total investments and other assets | 5,178 | 5,402 |
| Total non-current assets | 26,071 | 26,273 |
| Total assets | 77,246 | 75,443 |

(Millions of yen)

| | Previous fiscal year (As of September 30, 2023) | As of June 30, 2024 |
|---|---|------------------------|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable | 2,903 | 3,423 |
| Lease obligations | 87 | 86 |
| Other accounts payable | 3,012 | 2,539 |
| Income tax payable | 2,146 | 2,671 |
| Reserve for bonuses | 97 | 55 |
| Other | 2,258 | 2,286 |
| Total current liabilities | 10,506 | 11,064 |
| Long-term liabilities | | |
| Lease obligations | 827 | 763 |
| Guarantee deposits received | 11,583 | 11,251 |
| Deferred tax liabilities | 461 | 705 |
| Net defined benefit liability | 534 | 532 |
| Other | 127 | 125 |
| Total long-term liabilities | 13,534 | 13,378 |
| Total liabilities | 24,040 | 24,443 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Common stock | 7,319 | 7,319 |
| Retained earnings | 43,312 | 40,289 |
| Treasury stock | (1) | (1) |
| Total shareholders' equity | 50,629 | 47,606 |
| Accumulated other comprehensive income | | |
| Net unrealized gain on other securities | 1,607 | 2,045 |
| Foreign currency translation adjustments | 558 | 769 |
| Remeasurements of defined benefit plans, net of tax | (5) | (0) |
| Total accumulated other comprehensive income | 2,160 | 2,814 |
| Non-controlling interests | 415 | 578 |
| Total net assets | 53,205 | 50,999 |
| Total liabilities and net assets | 77,246 | 75,443 |

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

(Millions of yen)

| | Nine months ended June 30, 2023 | Nine months ended June 30, 2024 |
|---|------------------------------------|------------------------------------|
| Net sales | 46,882 | 48,238 |
| Cost of sales | 14,503 | 15,409 |
| Gross profit | 32,378 | 32,829 |
| Selling, general and administrative expenses | 23,597 | 23,813 |
| Operating income | 8,781 | 9,015 |
| Non-operating income | | |
| Interest income | 21 | 32 |
| Dividend income | 21 | 23 |
| Gain on currency translation | — | 19 |
| Other | 140 | 78 |
| Total | 184 | 153 |
| Non-operating expenses | | |
| Loss on currency translation | 6 | — |
| Other | 0 | 0 |
| Total | 6 | 0 |
| Ordinary income | 8,959 | 9,169 |
| Extraordinary income | | |
| Gain on sale of fixed assets | 7 | 16 |
| Total | 7 | 16 |
| Extraordinary losses | | |
| Loss on disposal of fixed assets | 3 | 0 |
| Total | 3 | 0 |
| Income before income taxes | 8,963 | 9,185 |
| Income taxes – basic | 3,698 | 4,147 |
| Income taxes – deferred | 436 | 423 |
| Total | 4,134 | 4,570 |
| Net income | 4,828 | 4,615 |
| Net income attributable to non-controlling interests | 132 | 124 |
| Net income attributable to owners of the parent | 4,695 | 4,490 |

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

(Millions of yen)

| | Nine months ended June 30, 2023 | Nine months ended June 30, 2024 |
|--|------------------------------------|--|
| Net income | 4,828 | 4,615 |
| Other comprehensive income | | |
| Net unrealized gain on other securities | 604 | 438 |
| Foreign currency translation adjustments | 14 | 250 |
| Remeasurements of defined benefit plans, net of tax | 2 | 5 |
| Total | 622 | 693 |
| Comprehensive income | 5,450 | 5,309 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | 5,322 | 5,145 |
| Comprehensive income attributable to non-controlling interests | 128 | 163 |

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

| | Nine months ended June 30, 2023 | Nine months ended June 30, 2024 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes | 8,963 | 9,185 |
| Depreciation | 869 | 712 |
| Amortization of goodwill | 23 | 23 |
| Increase (decrease) in reserve for doubtful accounts | (0) | (2) |
| Increase (decrease) in reserve for bonuses | (47) | (42) |
| Increase (decrease) in net defined benefit asset and liability | 10 | (2) |
| Increase (decrease) in accounts payable due to transition to a retirement benefit plan | (992) | (828) |
| Interest and dividends received | (43) | (56) |
| Loss (gain) on currency translation | 2 | (9) |
| Loss (gain) on sales of disposal of non-current assets | (3) | (16) |
| Decrease (increase) in trade receivables | (501) | 207 |
| Decrease (increase) in inventories | (790) | (171) |
| Increase (decrease) in trade payables | 331 | 497 |
| Increase (decrease) in guarantee deposits | (334) | (331) |
| Other | 328 | 384 |
| Subtotal | 7,813 | 9,551 |
| Interest and dividends received | 35 | 54 |
| Income tax (paid) refunded | (1,894) | (2,072) |
| Net cash provided by (used in) operating activities | 5,954 | 7,533 |
| Cash flows from investing activities | | |
| Expenditure for deposit to time deposits | (196) | (197) |
| Proceeds from withdrawal of time deposits | 196 | 2,697 |
| Purchase of investment securities | (1) | (1) |
| Purchase of property, plant and equipment | (537) | (409) |
| Proceeds from sale of property, plant and equipment | 10 | 28 |
| Purchase of intangible assets | (315) | (336) |
| Net cash provided by (used in) investing activities | (844) | 1,781 |
| Cash flows from financing activities | | |
| Purchase of treasury stock | — | (0) |
| Cash dividends paid | (7,340) | (7,520) |
| Other | (71) | (64) |
| Net cash provided by (used in) financing activities | (7,411) | (7,585) |
| Effects of exchange rate changes on cash and cash equivalents | (1) | 196 |
| Net change in cash and cash equivalents | (2,303) | 1,925 |
| Cash and cash equivalents, beginning of the period | 29,530 | 26,166 |
| Cash and cash equivalents, end of the period | 27,226 | 28,091 |

(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

(Note on segment information)

I Consolidated results for the first nine months of the fiscal year ending September 30, 2023
(October 1, 2022 to June 30, 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 | 36,600 | 8,646 | 1,573 | 46,821 | — | 46,821 |
| Other revenue | — | — | 61 | 61 | — | 61 |
| Sales, external | 36,600 | 8,646 | 1,634 | 46,882 | — | 46,882 |
| Intersegment sales | — | — | 209 | 209 | (209) | — |
| Total | 36,600 | 8,646 | 1,844 | 47,091 | (209) | 46,882 |
| Segment income | 9,326 | 1,003 | 167 | 10,498 | (1,716) | 8,781 |

(Note 1) Intersegment eliminations totaling 402 million yen and unallocated corporate expenses totaling (2,119) million yen have been included in the segment income adjustment totaling (1,716) 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, 2024
(October 1, 2023 to June 30, 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 | 38,099 | 8,265 | 1,807 | 48,172 | — | 48,172 |
| Other revenue | — | — | 66 | 66 | — | 66 |
| Sales, external | 38,099 | 8,265 | 1,873 | 48,238 | — | 48,238 |
| Intersegment sales | — | — | 203 | 203 | (203) | — |
| Total | 38,099 | 8,265 | 2,077 | 48,442 | (203) | 48,238 |
| Segment income | 9,606 | 954 | 222 | 10,783 | (1,767) | 9,015 |

(Note 1) Intersegment eliminations totaling 400 million yen and unallocated corporate expenses totaling (2,168) million yen have been included in the segment income adjustment totaling (1,767) 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