

A decorative arrangement of various green herbs and purple flowers, including lavender, rosemary, and thyme, scattered across the top right corner of the page.

ANNUAL REPORT 2024

Year ended September 30, 2024





Beauty and Health for Everyone.

This Is the Hope of the Noevir Group.

The Noevir Group delivers products backed by expertise amassed over the course of more than 40 years of botanical research and the latest findings in dermatology research, leveraging diverse sales channels aligned with a variety of price ranges in order to contribute to the beauty and health of people around the world.





Research and Development

In the 1970s, Noevir became the first company in Japan to focus its efforts on pioneering research in the area of herbal skincare. Since then, we have taken full advantage of the Group's expertise in botanical research and its technological capabilities to constantly develop products that not only boast superior functionality but also give due consideration to environmental concerns and provide users with emotional satisfaction. In this way, we strive to enhance our customers' quality of life (QOL).



Human Resources

The Noevir Group is striving to create a worker-friendly environment that helps employees fully realize their individual competencies. This will, in turn, better equip them to deliver products and services capable of ensuring immense customer satisfaction.



Business Model

Segment Information

Pharmaceuticals & Health Food

17.9%
¥11,443 million

Other

4.1%
¥2,618 million

Fiscal 2024
Sales
by Segment

Cosmetics
78.0%
¥49,761 million



78.0%
¥49,761 million

Cosmetics

The Group develops, produces and sells a versatile collection of products under well-regarded brand names, including *Noevir* high-performance functional face-to-face channel skincare products; various popular products for the self-selection cosmetics market, including the *Nameraka Honpo* skincare brand and *excel* makeup brand; and the *NOV* hypoallergenic brand.

The Group also undertakes the contract manufacturing of cosmetics.



CHANNELS

- Face-to-face Sales
- Drugstores
- Specialty Goods Stores
- GMS (General Merchandise Stores)
- Supermarkets
- Online Stores
- Noevir's Own Retail Stores
- Convenience Stores
- Contract Manufacturing

A Unique Approach to R&D and Robust Manufacturing Systems Capable of Achieving both High Quality and Environmental Friendliness

- Employing multiple research facilities run by Group companies, which handle cosmetics, pharmaceuticals and food, to expand the scope of research activities and to promote the ongoing development of unique products that fully leverage the Group's diverse R&D capabilities and assets
- Stepping up joint research with external business corporations as well as governmental and academic institutions
- Implementing thoroughgoing quality control while operating environment-friendly manufacturing systems



Face-to-face Channel Cosmetics

Luxury Line

Cosmetics principally represented by affordably priced products sold through general retailers

- Approximately 2,000 NOEVIR Beauty Studios, along with Noevir's own retail stores, operate in regions nationwide
- These sales outlets engage in face-to-face sales employing consulting to both propose skincare products and provide facials
- Our high-end skincare products have garnered a solid reputation due to their superior anti-aging and skin-brightening functionalities

Self-selection Cosmetics

Standard Line

Cosmetics principally represented by affordably priced products sold through general retailers

- Sold mainly through drugstores, specialty goods stores and general merchandise stores
- Boasting a robust sales structure backed by storefront promotional campaigns as well as advertising utilizing SNSs and other media
- Product planning capabilities that help create trendsetting items and unique offerings aimed at addressing specialized customer needs



OEM (Original Equipment Manufacturing)

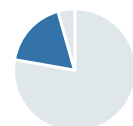
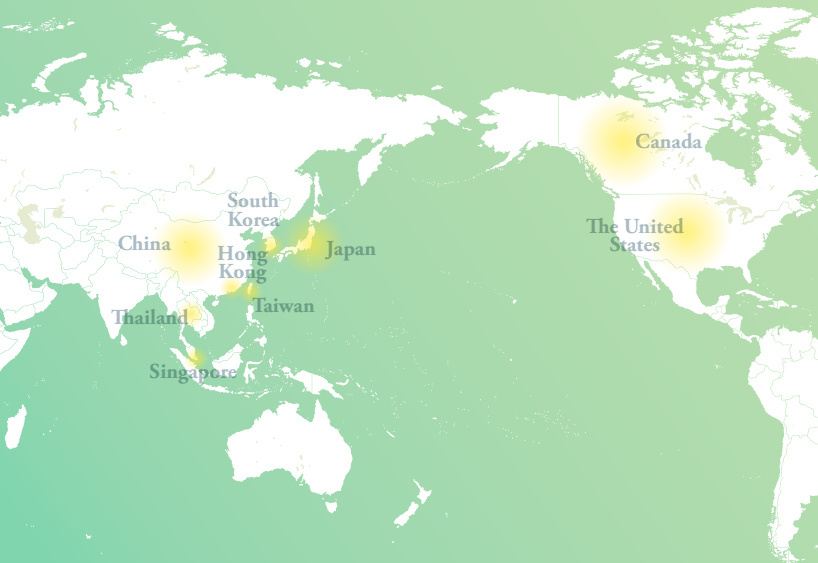
The contract manufacturing of cosmetics and quasi-drugs on an OEM basis, utilizing the Group's know-how in both fields



Overseas Business

Sales of face-to-face channel cosmetics and self-selection cosmetics in eight regions overseas:

China, Taiwan, South Korea, Hong Kong, Singapore, Thailand, The United States, Canada



17.9%
¥11,443
million

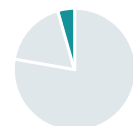
Pharmaceuticals & Health Food

The Group develops, produces and sells such flagship items as the long-selling *Nanten Nodo Ame* cough drop brand, the *Min Min Da Ha* functional drink brand lineup and other OTC pharmaceuticals, including cold remedies and digestive aids, as well as nutritional supplements, health food and other products featuring high-quality natural ingredients.



CHANNELS

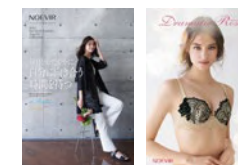
- Face-to-face Sales
- Convenience Stores
- Drugstores
- GMS (General Merchandise Stores)
- Supermarkets
- Online Stores
- Contract Manufacturing



4.1%
¥2,618
million

Other

The Other segment encompasses apparel and aircraft sales and leasing.



CHANNELS

- Face-to-face Sales

Research and Development, Quality Assurance

The Noevir Group is taking full advantage of R&D capabilities and assets in place at research facilities run by Group companies, which handle cosmetics, pharmaceuticals and food, to expand the scope of its research activities and to promote the ongoing development of products with distinctive strengths. The Group is thus rallying its overall resources to take on the challenge of entering new R&D fields as it strives to enhance the market competitiveness of its products. Also, we are actively engaged in collaboration with universities, medical institutions and other external research organizations with the aim of creating unique products that are insulated from price competition.

Research and Development

With the Noevir Group Research Laboratory in Shiga Prefecture serving as the core, our robust network of R&D facilities includes the Tokyo Research Laboratory, Suzuka Alpine Plants Research Center, Minami Daito Island Marine Research Center and Hokkaido Shokanbetsu Mountain Pilot Farm. These facilities engage in unique research on such subjects as native plants that thrive in extreme climates.

In addition, we have long been focused on leveraging findings from external collaboration with a range of partners while creating Group synergies yielded by bringing together the R&D resources possessed by Noevir Co., Ltd. and TOKIWA Pharmaceutical Co., Ltd. In 2024, these efforts resulted in the discovery of ingredients derived from passion fruit and Arabian jasmine that help optimize the rhythm of skin cell metabolism due to their influence on clock genes. Our research also revealed a skin restoration effect afforded via the use of an ingredient derived from what is commonly known as the “resurrection plant,” *Haberlea rhodopensis*, a new discovery connected to this remarkable plant that joins a similar ingredient for which we acquired a patent in 2014.

In addition, one of our young researchers was chosen to receive the President’s Award from the Japanese Cosmetic Science Society at its 49th conference in recognition of his research accomplishments in the area of anti-aging solutions for patients with atopic dermatitis.

Aware of the ongoing robust demand for skincare and makeup products, we will promote R&D activities aimed at discovering new added value that can be delivered via our offerings, to this end bringing together expertise we have amassed in botanical research since our founding with cutting-edge technologies. In this way, we will help enhance customers’ quality of life (QOL).



Quality Assurance

The Noevir Group provides high-quality products capable of satisfying stringent safety standards designed to live up to customer expectations. The Shiga Factory maintains an in-house manufacturing management system encompassing all its production lines in addition to a management system established in conformity with the technical requirements stipulated in Good Manufacturing Practice (GMP) guidelines for the manufacture and quality control of cosmetics. Also, this factory undergoes annual examinations conducted by a third-party certification body to determine its conformity with ISO 22716: Cosmetics—Good Manufacturing Practices (GMP).

The Mie Factory, meanwhile, is certified by Mie Prefecture as a food manufacturing facility satisfying Hazard Analysis and Critical Control Point (HACCP) standards for voluntary hygiene management, while maintaining compliance with Standards for Manufacturing Control and Quality Control for Drugs and Quasi-drugs (pharmaceutical GMP based on a ministerial ordinance). Having put in place ever more sophisticated quality assurance systems, this factory is engaged in the production of such offerings as energy drinks and other health foods.



The Noevir Group Research Laboratory



The Mie Factory

Concept Underlying the Medium- to Long-term Strategy

Realizing steady corporate growth by securing sustainability in every Group business segment

The Noevir Group is striving to best accommodate ever changing and increasingly diverse market needs. To this end, in addition to executing the following five policies, we have positioned net sales, operating income and return on equity (ROE) as key management indicators, thereby maximizing our corporate value and enhancing profitability.

Consolidated Earnings Forecasts for Fiscal 2025

Net Sales	¥64,000 million
Operating Income	¥11,500 million

Five policies

1

Pursue innovation and continuous profit generation in the domestic market

2

Enhance our brand value

3

Accelerate efforts to diversify human resources and our corporate structure

4

Strengthen our competitiveness by stepping up the diversification of our R&D, production and logistics systems

5

Promote a management approach that is responsive to changes in the business environment

Achieving Higher Profit and Sustainable Growth while Meeting Diversifying Needs by Nurturing Points of Contact with Customers and Expanding Our Product Lineup

The Noevir Group has strengths in diverse product spectrums, including prestige face-to-face channel cosmetics available primarily through face-to-face sales and affordable self-selection cosmetics sold through retailers. Our highly functional products created through extensive R&D targeting both these fields boast significant market presence in Japan.

In the course of implementing our medium- to long-term strategy, we have focused on innovation in the domestic market. To better embody the concept underlying our strategy of “Realizing steady corporate growth by securing sustainability in every Group business segment,” we have endeavored to strengthen our competitiveness, to this end enhancing our brand value, developing our organizational structure and pursuing R&D. In these ways, we have striven to secure sustainable sources of profit.

The Operating Environment and Fiscal 2024 Business Results

During fiscal 2024 (October 1, 2023 to September 30, 2024), economic trends remained uncertain, although some signs of gradual recovery were observed.

Against this backdrop, the Noevir Group has striven to accommodate ever-diversifying customer needs, to this end taking an agile approach to management decision making. For example, we updated existing product lines while introducing new products with superior functionalities via the use of findings from cutting-edge R&D activities. In addition, we continued with stringent efforts to streamline selling, general & administrative (SG&A) expenses to achieve higher profitability.

As a result, consolidated net sales came to ¥63,823 million, while operating income totaled ¥11,423 million. Net income attributable to owners of the parent stood at ¥7,970 million, with the operating income margin amounting to 17.9%.

Our Fiscal 2024 Initiatives

In fiscal 2024, our Cosmetics business saw increases in both revenues and profit compared with the previous fiscal year. In face-to-face channel cosmetics, showings of the existing *Noevir SPECIALE* skincare line remained robust, with *Noevir 99 Plus SKIN CONDITIONING FOAM* contributing to sales following its March 2024 release. Similarly, the highly functional beauty serums *NOEVIR WRINKLE 91* and *Noevir BIOSIGN NIGHT SMOOTHY* sold robustly after their releases in November 2023 and May 2024, respectively, contributing to operating results.

In self-selection cosmetics, sales increased for the fourth consecutive fiscal year, buoyed by the robust performance of skincare products. Sales of the *Nameraka Honpo* brand line remained firm, thanks to the contributions of the *Medicated Aging-Care Line*, which was released in August 2023. Other sales contributors included new products released in February 2024 as part of the brand's *Brightening* skincare line. These products are designed to help users prevent skin problems and manage

pores. Sales of the hypoallergenic *NOV* brand were firm, backed by the showings of *NOV Plus*, a new series released in April 2024, as well as new products in the *L&W* skincare line. Sales of the *excel* makeup line remained strong thanks to the successful enhancement of its lineup of base makeup and the opening of a fan community website that has helped us expand contact points with customers. Moreover, the *Pore Putty* brand, which encompasses base makeup products, and the *New Born* brand specializing in eye makeup, both enjoyed robust sales due to the release of new products.

The Pharmaceutical & Health Food segment saw a decrease in revenues and an increase in profit, with the Group's successful efforts to improve cost efficiency offsetting the fall in revenues due to stagnant sales of drinks and nutritional supplements. The Other business segment, which encompasses apparel- and aircraft-related operations, recorded increases in both revenues and profit due to higher sales.



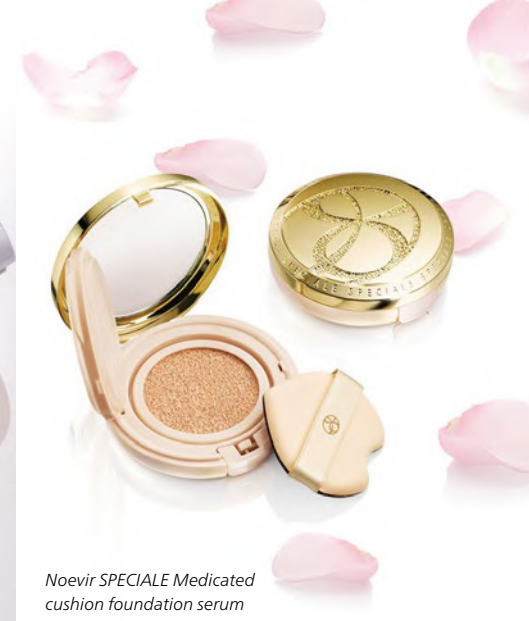
Nameraka Honpo Brightening skincare line products specially designed to help users prevent skin problems and manage pores



NOV Plus skincare line



excel base makeup products



Noevir SPECIALE Medicated cushion foundation serum

Future Outlook

With regard to face-to-face channel cosmetics in the Cosmetics business, we will strive to enhance our sales capabilities even as we expand contact points with customers, to this end focusing on employing counseling-oriented face-to-face sales at physical shops as our mainstay method for customer engagement. We will also integrate this sales approach with online beauty lessons and other digital-driven measures to share tips and updates with customers. In self-selection cosmetics, we will continue with the timely provision of products equipped with superior market competitiveness and designed to accurately meet customer needs.

Taking these factors into account, our consolidated performance forecasts for fiscal 2025 (October 1, 2024 to September 30, 2025) comprise net sales of ¥64,000 million, operating income of ¥11,500 million and net income attributable to owners of the parent of ¥8,000 million. Looking ahead, we will stay focused on securing profitability and strive to live up to our earnings forecasts via, for example, a cost management approach aimed at enhancing productivity.

Concepts on Sustainability

Working toward the realization of high quality of life for all stakeholders, the Noevir Group is engaged in the creation of beauty and health. In addition, we are implementing proactive initiatives aimed at contributing to the realization of a sustainable society under five themes: customers and business partners; shareholders; employees; society; and the environment.

For more details, please visit our corporate website.

 <https://www.noevirholdings.co.jp/english/csr/index.htm>

Our Policy regarding Shareholder Returns

We have positioned the return of profit to our shareholders as an important management issue. Accordingly, our basic policy is to deliver a stable stream of dividends to our shareholders even as we secure internal reserves for supporting our endeavors to achieve medium- to long-term business development goals and strengthen our management structure. The above

undertakings are backed by efforts to maximize corporate value and improve profitability.

In line with this policy, we decided to raise year-end dividends for fiscal 2024 by ¥5 per share from the previous dividend forecast, thereby bringing full-year cash dividends to ¥225 per share. As a result, we achieved a 13th consecutive annual increase in dividends, with the dividend payout ratio amounting to 96.9%.

Striving to contribute to health and beauty, the Noevir Group has long been helping people maintain and improve their quality of life through its business operations. Thanks to this dedication, the Group has won the trust of society. Looking ahead, we will continue to enhance our corporate value while boosting our ability to quickly and flexibly accommodate market changes and diversifying needs.

Main Brands

- *Noevir SPECIALE*
- *Noevir 505*
- *Noevir 105*
- *Noevir 99 Plus*
- *Noevir 80*
- *Noevir EXTRA*
- *Noevir TOUT BLANC*
- *Noevir BIOSIGN*



NOEVIR WRINKLE 91



Product Strategy

Our face-to-face channel cosmetics brand portfolio consists mainly of prestige skincare products, which boast strengths as anti-aging and skin brightening solutions and provide users with a superior skincare experience, as well as beauty serums, the lineups of which are periodically renewed to reflect our latest R&D breakthroughs.

In fiscal 2024, we released two beauty serums created via the combined application of our expertise in botany and dermatology, fields in which we have pursued R&D for many years. These are: *NOEVIR WRINKLE 91*, which incorporates bakuchiol and niacinamide—ingredients supporting beauty—to alleviate the appearance of wrinkles on the skin due to dryness and contribute to its firmness and elasticity; and *Noevir BIOSIGN NIGHT SMOOTHY*, which facilitates a natural process of restoration that renews the skin's beauty during sleep. For both products, we use extracts from plants cultivated in our own organic farm in Hokkaido. As such, we practice a unique, sustainable product development approach that gives due consideration to environmental concerns.

Aiming to enrich our face-to-face channel cosmetics brands, we are fully leveraging our distinctive strengths in R&D, thereby maintaining a constant stream of new products with superior functionality.

Sales Strategy

The Noevir Group markets its face-to-face channel cosmetics brands mainly through face-to-face sales channels backed by beauty studios while also offering them through retail stores managed by Noevir Co., Ltd. In order to enhance our sales capabilities and expand contact points with customers, we certify NOEVIR Beauty Studios that demonstrate service quality and techniques that meet strict standards. As of September 30, 2024, more than 2,000 salons have been certified. In addition, our directly managed retail stores form a network that serves major cities across Japan and are constantly striving to acquire new contact points with customers as well as to enhance brand recognition.

In fiscal 2024, we continued to employ face-to-face sales through personalized counseling as our mainstay method

for customer engagement. At the same time, we leveraged our online platform to deliver beauty lessons and follow-up counseling for purchasers of our products to achieve even higher customer satisfaction among existing customers while expanding contact points with them. Moreover, we took a hybrid approach to help sales representatives raise their sales capabilities, to this end bringing together the in-person provision of technical instructions and the online sharing of information.

In addition, we strive to accommodate diversifying consumer needs by enhancing the content of services offered via NOEVIR Style, an online shopping website aimed at winning loyal customers. We also provide NOEVIR Support, an online ordering system specializing in supporting our sales representatives.



Noevir SPECIALE skincare line



Noevir 505 skincare line



Noevir 99 Plus skincare line

Self-Selection Cosmetics, Pharmaceuticals & Health Food

Product Strategy

Our self-selection cosmetics brands include the mainstay *Nameraka Honpo* brand line, which is the market leader* in terms of soymilk-based skincare products. We enhanced the brand's *Brightening* skincare line by releasing new products designed to help users prevent skin problems and undertake pore care while brightening the skin. We also updated our hypoallergenic *NOV* brand, which enjoys a similarly considerable market share in Japan, via the launch of *NOV Plus*, a new series released under this brand for the first time in nine years. Moreover, the Noevir Group's unique product planning strategies have helped the popular *excel* brand makeup line garner a solid reputation among consumers in Japan and other Asian countries, and the line's large number of loyal customers cover a broad age range. In addition, base makeup products sold under the *Pore Putty* brand have continued to garner extremely favorable customer reviews, along with the *New Born* brand specializing in eye makeup.

At the same time, our Pharmaceuticals & Health Food segment provides an array of unique products, including *Nanten Nodo Ame*—long-selling cough drops classified as pharmaceutical products—as well as *Min Min Da Ha* functional drinks and *GRONVITER* nutritional drinks.

* Based on the storefront sales of self-selection skincare products incorporating soymilk ingredients calculated from POS data gleaned by five retailers throughout 2023

Cosmetics



Nameraka Honpo skincare brand lineup



excel brand makeup lineup

Main Brands

- Nameraka Honpo
- excel
- NOV
- Pore Putty
- New Born
- Nanten Nodo Ame
- Min Min Da Ha
- GRONVITER
- VITAC

Sales Strategy

As for the marketing channels for self-selection cosmetics brands, the Group utilizes such general retailers as general merchandise stores, drugstores and specialty goods stores.

In order to expand contact points with customers of our mainstay makeup brand lines, we held events aimed at celebrating the 20th anniversary of the release of the *Nameraka Honpo* cosmetic brand while opening an excel fan community website in which users of this makeup line can interact with each other and acquire member-only updates, makeup tips and more. At the same time, we have continued to reach out to medical institutions around Japan, especially dermatology clinics, as part of efforts to promote the hypoallergenic *NOV* brand.

We also market a variety of functional drinks and cough drops through such outlets as drugstores and convenience stores, in addition to employing face-to-face sales channels to secure contracted households and companies to which pharmaceutical products are delivered on regular basis.

Furthermore, the Group undertakes the contract manufacturing of cosmetics and nutritional drinks on an OEM basis.



A celebration event was held at @cosme TOKYO for the 20th anniversary of *Nameraka Honpo*



New Born makeup brand lineup



Pore Putty makeup brand lineup



NOV brand lineup

Pharmaceuticals & Health Food



Nanten Noto Ame
cough drop brand lineup



Min Min Da Ha
functional drink brand lineup



GRONVITER
nutritional drink brand

Sustainability

Working toward the realization of a high quality of life for all stakeholders, the Noevir Group is engaged in the creation of beauty and health. In addition to pursuing further business growth, we are implementing proactive initiatives aimed at contributing to the realization of a sustainable society under five themes: customers and business partners; shareholders; employees; society; and the environment.

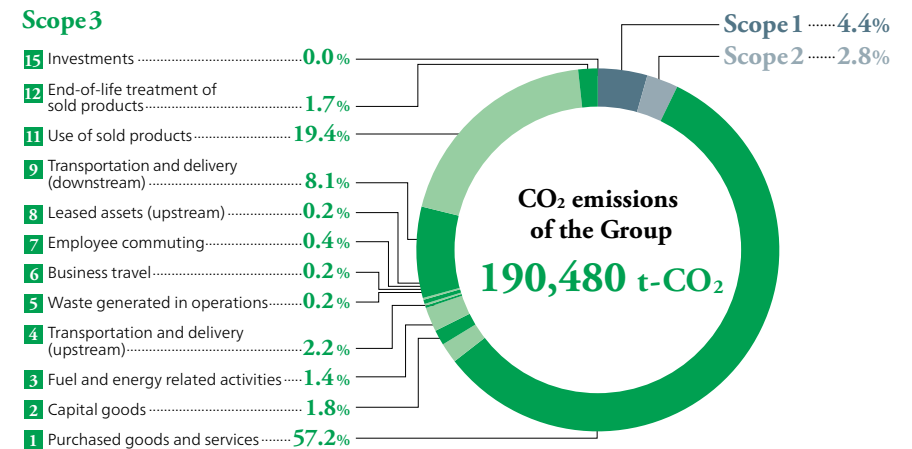
ESG Environmental Activities

Initiatives to Protect the Environment

The Noevir Group is striving to reduce environmental burden arising from its business activities by, for example, developing products designed to address environmental concerns and curbing CO₂ emissions attributable to its operations, in order to play its part in preserving the global environment and resolving energy issues. Pushing ahead further with the Group's concerted efforts in this area, we have established the "Environment Committee," with a membership consisting of directors and other officers in charge of departments involved in the identification of risks and opportunities arising from climate change. Through this committee, we consolidate challenges the Group is now confronting in connection with climate change and other environmental issues, as well as actions to be taken to address such challenges, while delivering reports on these matters to the Board of Directors in a timely manner.

As part of our initiatives to address climate change, an issue that calls for urgent response, we have also calculated the volume of CO₂ emissions from our Group operations, striving to reduce this volume in phases.

CO₂ emissions of the Noevir Group (Scope 3 details are shown by category)



Scope of calculation: Japan Period subject to calculation: October 2022 to September 2023

For more details, please also visit our corporate website.

<https://www.noevirholdings.co.jp/english/csr/environment/index.htm>

Ongoing Fundraising via Noevir Green Charity

Since 2010, Noevir Co., Ltd. has been engaged in an ongoing fundraising campaign via Noevir Green Charity, setting aside a portion of proceeds from designated items sold during biannual skincare product fairs for donation to support a project headed by alpinist Ken Noguchi. This project is aimed at promoting forest rehabilitation as well as raising money for school construction in villages at the foot of the Himalayas and otherwise providing educational support for the region's children. In 2024, this campaign delivered its 30th round of donations. Looking ahead, we will encourage a growing number of Group members to take part in social contribution activities of this kind.



Mr. Ken Noguchi and children living at the foot of Himalayas
(©KEN NOGUCHI OFFICE)

A Forest Preservation Project in the Rokko Mountain Range Undertaken by the Noevir Green Foundation

The Noevir Green Foundation, a public interest incorporated foundation, is engaged in a forest preservation project in the Rokko mountain range as part of initiatives aimed at reconstructing areas affected by the Great Hanshin-Awaji Earthquake Disaster and thereby protecting and nurturing a green belt that safeguards communities from landslides. This project was originally launched by Noevir Co., Ltd. in 2008, and taken over by the Noevir Green Foundation in 2013. Over the course of 16 years, this ongoing project has been helping to enhance the disaster resilience of the region and protect the future of its thriving natural environment.



A father and son together engaging in tree thinning in the Rokko mountain range

Development of a Working Environment Supportive of Diverse Workstyles

To ensure that we embody “Realizing steady corporate growth by securing sustainability in every Group business segment,” the concept underlying our medium- to long-term strategy, we have positioned enhancing human capital as an important management issue. Our ongoing initiatives to this end are as listed below.

Human Capital Strategy

1) Policy on the Development of an In-house Environment

The Noevir Group is implementing the following initiatives aimed at developing and updating its workplace environment with an eye to adapting to a constantly evolving social environment and workstyle trends in order to continuously empower employees to realize their full potential.

- Promoting the use of childcare leave plans, including short-term leave plans
- Allowing employees to take annual paid leave in units as small as one hour
- More effectively utilizing human resources through the re-employment system, etc.

2) Policy on Human Resource Development

The Noevir Group strives to enable each employee to achieve personal growth over the course of their career journeys by proactively providing them with career advancement opportunities. To this end, the Group engages in the following initiatives:

- Promoting women to managerial positions while disclosing the male-female ratio of such positions
- Supporting individuals aspiring to assume supervisory or higher positions
- Helping non-managerial employees play greater roles, etc.

Metrics and Targets Related to Human Capital

Metrics and targets are determined for the following initiatives alone as we aim to secure the ability to swiftly and flexibly align our staffing and organization with prevailing conditions.

1) Policy on the Development of an In-house Environment

Metric: The ratio of eligible male employees who take childcare leave
Target: Aim for 100% by September 30, 2030
As of September 30, 2024: 36%

2) Policy on Human Resource Development

Metric: The male-female ratio of managerial positions
Target: Make this ratio 50:50 by September 30, 2040
As of September 30, 2024: 70:30

Welcoming Company Visits by Students

The Noevir Group hosts “Company Visit Study Programs” for junior high school and high school students, helping ensure that they have a well-rounded perception of work. These programs are conducted five times a year and designed to give students a detailed understanding of how the Group’s business operates and its product development processes. Participating students are invited to engage spontaneously in various activities, such as discussions aimed at determining the names of particular products as well as skincare workshops, even as they are given the opportunity to take a close look at our workplace. As such, we aim to help them discover how businesses contribute to society and get a taste of what job fulfillment feels like. We will continue implementing these activities, hoping to give students valuable opportunities to think about their future and envision their careers.



Students attending a Company Tour Study Program

NOEVIR STADIUM KOBE

With the objective of delivering dreams and excitement to many people through sports, Noevir Co., Ltd. acquired the naming rights for Kobe Wing Stadium in 2013 from Kobe City in Hyogo Prefecture. This city-owned stadium is now widely known as NOEVIR STADIUM KOBE and nicknamed “NOESTA,” enhancing public recognition of the Noevir Group and our contribution to local communities as a company headquartered in Kobe.



NOEVIR STADIUM KOBE

Basic Concepts of Corporate Governance / Overview of Our Governance Structure

To realize the ongoing enhancement of corporate value and maintain the trust of all of its stakeholders, including shareholders, the Noevir Group has positioned corporate governance as a key management issue.

Noevir Holdings Co., Ltd. is equipped with an Audit & Supervisory Board consisting of one full-time member and two outside members. Meanwhile, the Company's Board of Directors consists of 13 directors, with seven outside directors making up the majority to ensure that business execution is robustly overseen from a fair and neutral standpoint. The Company has thus strengthened its supervisory functions over the Board of Directors.

In addition, the Nominating and Compensation Committee is in place as a non-mandatory body with a majority membership consisting of outside directors. This committee provides advice to the Board of Directors in order to secure the fairness, transparency and objectivity of the processes used to determine director compensation and nominate officers.

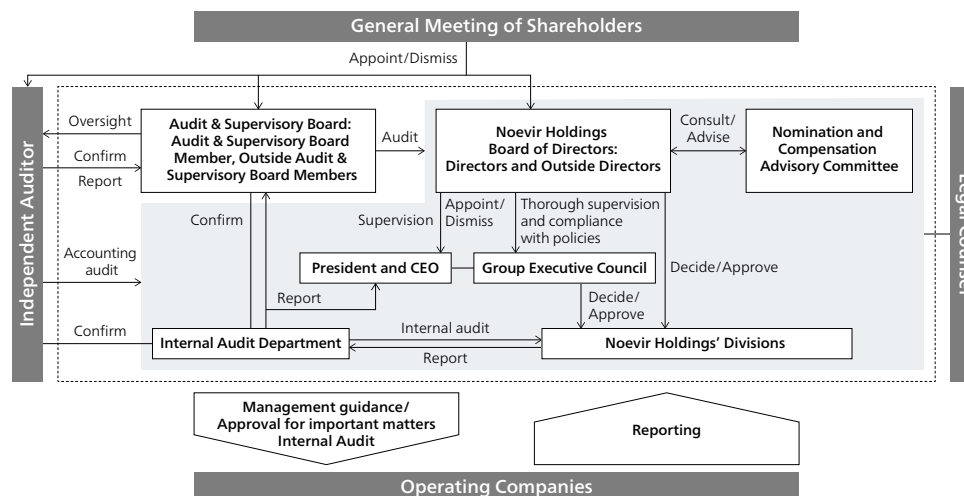
The Nomination and Compensation Committee is chaired by Outside Director Ryo Tsuchida, with Outside Director Maho Kinami, Outside Director Emima Abe and President & CEO Takashi Okura serving as its members.

The Group has developed a robust management structure while strengthening auditing functions to ensure strict compliance with laws, regulations and corporate ethics as well as its articles of incorporation. Moreover, the Group has set up internal control and risk management systems, both of which are constantly upgraded.

Corporate Governance Structure Overview

Type of governance model	A company with auditors
Number of directors (of whom, outside directors)	13 (7)
Number of Audit & Supervisory Board members (of whom, outside members)	3 (2)
Number of independent directors and Audit & Supervisory Board members (within which, outside directors and outside Audit & Supervisory Board members)	9 (7;2)
Directors' term	One year
Frequency of Board of Directors' meetings	Monthly (plus extraordinary meetings convened on an as-needed basis)
Number of Board of Directors' meetings held during fiscal 2024	12
The establishment of an internal audit department	Yes
Adoption of an executive officer system	Yes
Advisory body supporting president's decision making	Group Executive Council
Remuneration systems for directors and Audit & Supervisory Board members	Directors: Determined based on individual contributions to annual operating results Audit & Supervisory Board members: Determined based on comprehensive assessments of individuals' auditing skills and track records
Accounting auditor	Deloitte Touche Tohmatsu LLC
Systems for supporting outside directors and outside Audit & Supervisory Board members	Persons in charge of support are appointed from Corporate and Legal Affairs

Corporate Governance Organizational Structure



Management's Discussion and Analysis

Overview

During fiscal 2024 (October 1, 2023 to September 30, 2024), economic trends remained uncertain, although some signs of gradual recovery were observed.

Against this backdrop, the Company worked to uphold the concept underlying its medium- to long-term strategy: "Realizing steady corporate growth by securing sustainability in every Group business segment."

As a result, net sales for the fiscal year ended September 30, 2024 came to ¥63,823 million. The cost of sales amounted to ¥20,666 million and as a percentage of net sales was 32.4%. Selling, general and administrative (SG&A) expenses amounted to ¥31,733 million due to increases in expenses, including personnel expenses and advertising and sales promotion costs, and as a percentage of net sales were 49.7%. Nevertheless, operating income and net

income attributable to owners of the parent stood at ¥11,423 million and ¥7,970 million, respectively, thanks to higher net sales and a resulting increase in gross profit. The Group has thus seen increases in both revenues and profit for the third consecutive fiscal year, with net income attributable to owners of the parent hitting the all-time best. The operating income margin stood at 17.9%, suggesting consistently high profitability.

Although we still anticipate gradual economic recovery, the outlook remains uncertain because of such factors as the risk of downward pressure on consumer spending due to rising prices. However, the Company's consolidated forecast for the fiscal year ending September 30, 2025 is for net sales of ¥64,000 million, operating income of ¥11,500 million, and net income attributable to owners of the parent of ¥8,000 million.

Segment Information

■ Cosmetics

Sales in the Cosmetics segment totaled ¥49,761 million, and segment income came to ¥12,226 million. These results represent increases in both revenues and profit compared with the previous fiscal year. In face-to-face channel cosmetics, showings of the *Noevir SPECIALE* skincare line remained robust, with the newly released *99 Plus SKIN CONDITIONING FOAM* contributing to sales. Sales of self-selection cosmetics were strong due to the release of new products under each brand line, leading to growth in revenues.

■ Pharmaceuticals & Health Food

Sales in the Pharmaceuticals & Health Food segment totaled ¥11,443 million, and segment income came to ¥1,230 million. Compared with the previous fiscal year, this segment thus saw a decrease in revenues and an increase in profit. While stagnant sales of functional drinks and nutritional supplements led to the fall in revenues, the Group's successful efforts to improve cost efficiency resulted in improved profitability.

■ Other

Sales in the Other segment came to ¥2,618 million, while segment income came to ¥330 million. This segment saw increases in both revenues and profit in apparel- and aircraft-related operations.

Assets, Liabilities and Net Assets

Total assets on a consolidated basis as of September 30, 2024 stood at ¥76,471 million, a decrease of ¥774 million from the previous fiscal year-end. This was mainly due to a decrease of ¥1,606 million in other under current assets. At the same time, investment securities rose ¥500 million and cash and cash equivalents were up ¥340 million.

Total liabilities came to ¥22,564 million, a decrease of ¥1,475 million from the previous fiscal year-end. This mainly reflected decreases in other accounts payable of ¥1,073 million and in long-term guarantee deposits of ¥418 million.

Net assets came to ¥53,906 million, an increase of ¥701 million from the previous fiscal year-end. This was primarily attributable to an increase in retained earnings of ¥455 million and an increase in net unrealized gain on other securities of ¥343 million, the former of which reflects the recording of net income attributable to owners of the parent of ¥7,970 million, with these positive factors partially offset by the payment of ¥7,514 million in dividends at the previous fiscal year-end.

As a result, the equity ratio stood at 69.9%, up 1.6 percentage points from the previous fiscal year-end, and net assets per share stood at ¥1,565.68, an increase of ¥20.14.

Cash Flows

Cash and cash equivalents on a consolidated basis as of September 30, 2024 stood at ¥29,006 million, an increase of ¥2,840 million compared with the previous fiscal year-end.

Net cash provided by operating activities amounted to ¥9,123 million. The main item increasing cash was ¥11,619 million in income before income taxes, and the main item decreasing cash was income tax paid of ¥2,161 million.

Net cash provided by investing activities came to ¥1,525 million. The principal cash inflow was ¥2,717 million in proceeds from withdrawal of time deposits, whereas the principal cash outflow was ¥626 million for the purchase of property, plant and equipment.

Net cash used in financing activities came to ¥7,112 million. This was mainly due to the payment of ¥7,522 million in dividends.

Five-Year Summary

(Millions of yen)

Fiscal Year	2020	2021	2022	2023	2024
Period/Item	October 1, 2019– September 30, 2020	October 1, 2020– September 30, 2021	October 1, 2021– September 30, 2022	October 1, 2022– September 30, 2023	October 1, 2023– September 30, 2024
Net sales	¥ 51,841	¥ 51,272	¥ 61,143	¥ 62,552	¥ 63,823
Operating income	8,060	8,557	10,115	11,024	11,423
Net income attributable to owners of the parent	5,618	6,383	7,589	7,673	7,970
Total assets	80,052	80,448	76,781	77,246	76,471
Net assets	52,243	52,233	52,384	53,205	53,906
Capital expenditures	1,456	539	605	974	1,036
Depreciation	1,668	1,463	1,420	1,189	977
R&D expenses*	1,065	1,041	1,063	1,029	1,066
Cash dividends per share (yen)	¥ 205.00	¥ 210.00	¥ 215.00	¥ 220.00	¥ 225.00
Earnings per share (yen)**	¥ 164.48	¥ 186.88	¥ 222.20	¥ 224.66	¥ 233.34
Net assets per share (BPS) (yen)	¥1,521.77	¥1,520.27	¥1,524.05	¥1,545.54	¥1,565.68
ROE (%)	10.7%	12.3%	14.6%	14.6%	15.0%
Equity ratio (%)	64.9%	64.5%	67.8%	68.3%	69.9%
Number of employees (consolidated)	1,507	1,453	1,398	1,368	1,369
Cosmetics					
Net sales	¥ 38,742	¥ 38,325	¥ 47,032	¥ 48,175	¥ 49,761
Segment income	9,505	9,600	10,814	11,867	12,226
Pharmaceuticals & Health Food					
Net sales	11,273	11,117	11,408	11,985	11,443
Segment income	1,261	1,442	1,157	1,185	1,230
Other					
Net sales	1,825	1,828	2,703	2,391	2,618
Segment income	10	156	381	260	330

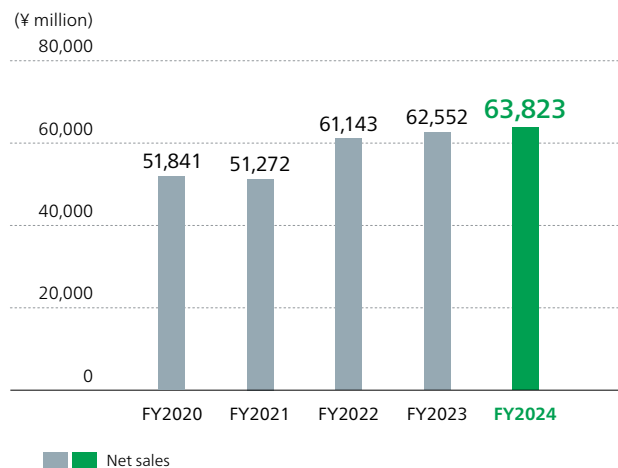
* The total of R&D expenses recorded as part of SG&A expenses and those recorded as part of production costs during the fiscal year under review.

** The calculation of earnings per share takes into account the annual average of total number of shares outstanding, excluding treasury stock.

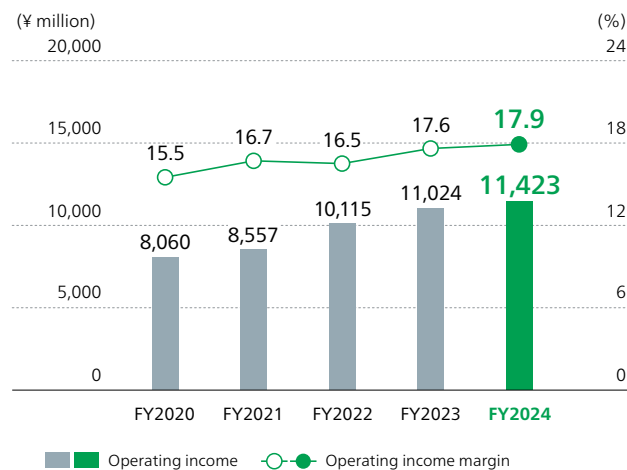
Note: Above figures for the fiscal year ended September 30, 2022 are based on "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29: March 31, 2020), etc., adopted at the beginning of said fiscal year.

Financial Highlights

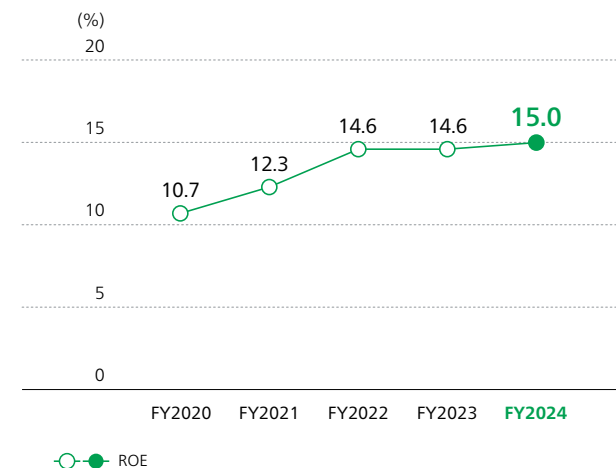
Net Sales



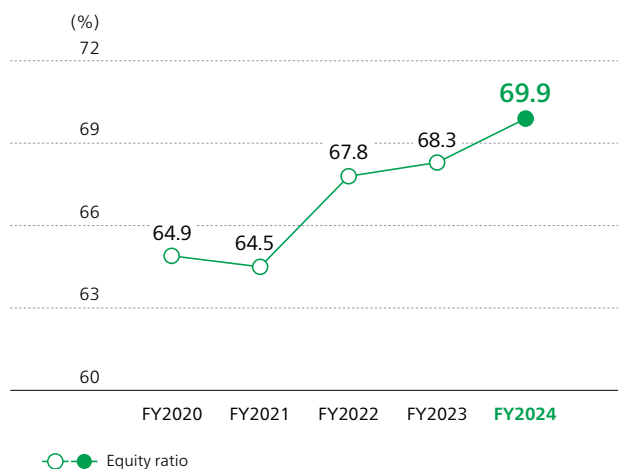
Operating Income / Operating Income Margin



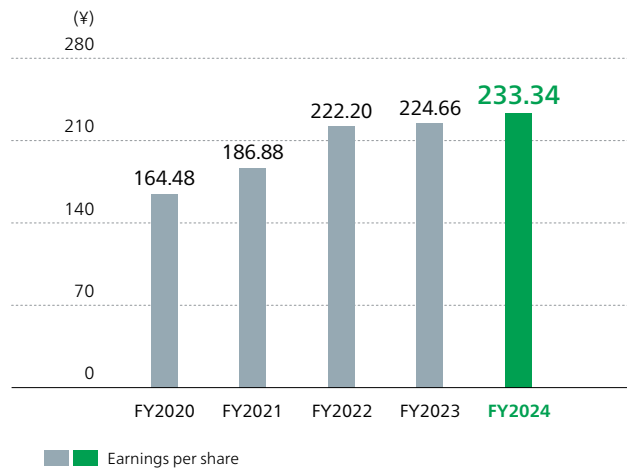
ROE



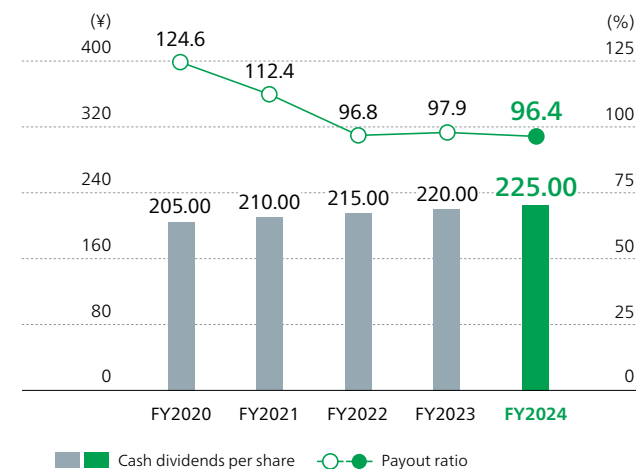
Equity Ratio



Earnings per Share



Cash Dividends per Share / Payout Ratio



History of the Noevir Group

Noevir Co., Ltd.

1964	J.H. Okura & Co., Ltd. established, initiating the import and sale of aircraft parts, medical equipment and commodities
1971	J.H. Okura & Co., Ltd. reorganized as a limited liability company, initiating the import and sale of natural cosmetics incorporating herbal extracts
1978	Company name changed to Noevir Co., Ltd. and the full-scale manufacture and marketing of cosmetics in Japan initiated
1979	Noevir, Inc. (now Noevir U.S.A., Inc.) established in the United States
1985	Nov Co., Ltd. established
1986	Sana Co., Ltd. established
1988	Noevir stock registered on the over-the-counter (OTC) market of the Japan Securities Dealers Association
1991	Noevir U.S.A., Inc. made Noevir Canada, Inc. its subsidiary
1993	Noevir International Corporation (now Noevir Aviation, Inc.) established in the United States
1994	Noevir Co., Ltd. made Japan Air Trust Co., Ltd. (now Noevir Aviation Co., Ltd.) its subsidiary, entering the aviation transport business
1996	Noevir Co., Ltd. made Noevir Taiwan, Inc. its subsidiary
2001	Bonanza Co., Ltd. established, initiating the OEM of cosmetics Noevir Holding of America, Inc. established in the United States, making Noevir Aviation, Inc., Noevir U.S.A., Inc. and Noevir Canada, Inc. its subsidiaries
2002	Noevir Co., Ltd. made TOKIWA Pharmaceutical Co., Ltd. its subsidiary, entering the pharmaceutical business
2004	TOKIWA Pharmaceutical Co., Ltd. merged with Nov Co., Ltd. and Sana Co., Ltd. Noevir stock listed on the JASDAQ Securities Exchange
2005	Noevir Europe s.r.l. established in San Marino
2007	Shanghai Noevir Co., Ltd. established as a joint venture Noevir stock listed on the Second Section of the Tokyo Stock Exchange
2011	Noevir Holdings Co., Ltd. established, with Noevir Co., Ltd. delisting its stock and becoming the former's subsidiary

Noevir Holdings Co., Ltd.

2011	Noevir Holdings Co., Ltd. established, listing its stock on the Second Section of the Tokyo Stock Exchange Acquired equity in three subsidiaries (TOKIWA Pharmaceutical Co., Ltd., Bonanza Co., Ltd. and Noevir Aviation Co., Ltd.) of Noevir Co., Ltd.
2012	Noevir Holdings Co., Ltd. listed on the First Section of the Tokyo Stock Exchange
2022	Transitioned to the Tokyo Stock Exchange's Prime Market Transferred shares in Noevir Aviation Co., Ltd. to Noevir Co., Ltd. Transferred shares in Bonanza Co., Ltd. to Noevir Co., Ltd.

Principal Consolidated Subsidiaries (As of September 30, 2024)

Name	Principal Business
Noevir Co., Ltd.	Production and sale of cosmetics, toiletries and food products as well as purchase and sale of makeup items and apparel
TOKIWA Pharmaceutical Co., Ltd.	Production and sale of cosmetics, toiletries and food products as well as purchase and sale of makeup items/Production and sale of over-the-counter (OTC) pharmaceuticals and quasi-drugs
TOKIWA Medical Service Co., Ltd.	Sale of cosmetics, toiletries and food products as well as purchase and sale of makeup items/Production and sale of over-the-counter (OTC) pharmaceuticals and quasi-drugs
Bonanza Co., Ltd.	Production and sale of cosmetics and toiletries as well as purchase and sale of makeup items
Noevir Aviation Co., Ltd.	Air transportation and provision of charter flights, ground handling services and hangar rental
Nihon Flight Safety Co., Ltd.	Provision of aircraft flight training
Noevir Holding of America, Inc.	Holding company for two U.S. subsidiaries and one Canadian subsidiary
Noevir U.S.A., Inc.	Sale of cosmetics, makeup products, toiletries and food products
Noevir Canada, Inc.	Sale of cosmetics, makeup products, toiletries and food products
Noevir Aviation, Inc.	Purchase and sale of aircraft and vessels as well as aviation-related operations
Noevir Taiwan, Inc.	Sale of cosmetics, makeup products, toiletries and food products
Shanghai Noevir Co., Ltd.	Sale of cosmetics, makeup products and toiletries as well as procurement and sale of sales promotion goods for the Noevir Group
Noevir Europe s.r.l.	Market research in Europe

For more details, please also visit our corporate website.

 <https://www.noevirholdings.co.jp/english/group/list/index.htm>

Investor Information (As of September 30, 2024)

Name	Noevir Holdings Co., Ltd.
Date of Establishment	March 22, 2011 (Noevir Co., Ltd. was founded in April 1964.)
Paid-in Capital	¥7,319 million
Headquarters	Kobe 6-13-1 Minatojima-nakamachi, Chuo-ku, Kobe 650-8521, Japan Tokyo 7-6-15 Ginza, Chuo-ku, Tokyo 104-8208, Japan
Stock Listing	Tokyo Stock Exchange (Prime Market) [Ticker: 4928]
Transfer Agent and Registrar	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan

Major Shareholders	Name	Number of Shares Held (thousands)	Percentage of Shareholdings (%)
	NII Co., Ltd.	12,382	36.25
	Takashi Okura	3,700	10.83
	The Master Trust Bank of Japan, Ltd. (Trust Account)	2,600	7.61
	Hiroshi Okura	1,000	2.93
	Custody Bank of Japan, Ltd. (Trust Account)	997	2.92
	Sumitomo Mitsui Banking Corporation	900	2.63
	JAPAN POST INSURANCE Co., Ltd.	542	1.59
	Noevir Holdings Employees Shareholdings Scheme	365	1.07
	TOA Inc.	310	0.91
	Sumitomo Life Insurance Company	300	0.88

Note: The shareholding ratio is calculated excluding treasury stock (416 shares) and is rounded off to two decimal places.

Board of Directors and Auditors (As of December 9, 2024)

Chairman and Representative Director	Hiroshi Okura
President and CEO	Takashi Okura
Managing Director	Ikkou Yoshida
Directors	Yasuo Kaiden Masataka Nakano Takeshi Okura
Outside Directors*	Ryo Tsuchida Maho Kinami Emima Abe Mari Ishimitsu Haruhi Kuroda Emi Kanagasaki Mari Tomita
Audit & Supervisory Board Member	Takashi Oyama
Outside Audit & Supervisory Board Members**	Kazuya Sugimoto Kayo Sato

* Independent directors

** Independent Audit & Supervisory Board members

NOEVIR HOLDINGS

✉ For email inquiries

🌐 <https://www.noevirholdings.co.jp/english/inquiry/inquiry.aspx>

Our Website

Detailed additional information about the Noevir Group is available on our website.

🌐 <https://www.noevirholdings.co.jp/english/>

Forward-Looking Statements

Statements in this annual report with respect to Noevir Holdings' plans, strategies, projected financial results and beliefs as well as other statements that are not historical facts are forward-looking statements based on information currently available, and such statements involve risks and uncertainties that could cause actual results to differ substantially from expectations.

