

Financial Results Briefing  
for the First Half of the Fiscal Year Ending  
March 31, 2025

ROHTO Pharmaceutical Co., Ltd.  
November 13, 2024

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# Results of Operations for the First Half of the Fiscal Year Ending March 31, 2025

November 13, 2024  
Vice President and CFO  
Masaya Saito

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# Highlights of the First Half of FY3/2025



- ❑ Summary
- ❑ The economy remained on a gradual recovery track, particularly with regard to personal consumption owing to improvements in the employment and income environment, while **sales increased**, reflecting higher inbound demand, products that meet customer needs, and the impact of yen depreciation.
- ❑ As for profits, in addition to deterioration in the cost of sales ratio, a planned increase in selling, general and administrative expenses including R&D expenses resulted in **decreases in profit**.
  
- ❑ **In the domestic market, Sales increased while profits decreased.**
  - ❑ Sales of lip balms, “Rohto V5” supplements, “Melano CC,” “Hadalabo,” and high-end eye drops continued to perform strongly.
  - ❑ Rohto Nitten Co., Ltd. and Qualitech Pharma Co., Ltd. contributed to sales and profits.
  - ❑ Profits decreased due to deterioration in the cost of sales ratio as well as a planned increase in selling, general and administrative expenses including R&D expenses.
- ❑ **In America and Asia, sales and profits increased significantly.**
- ❑ **In Europe, sales increased significantly while profits decreased.**
- ❑ **Forecasts for both full-year results and dividends remain unchanged.**

# 1H FY3/2025 Consolidated Results



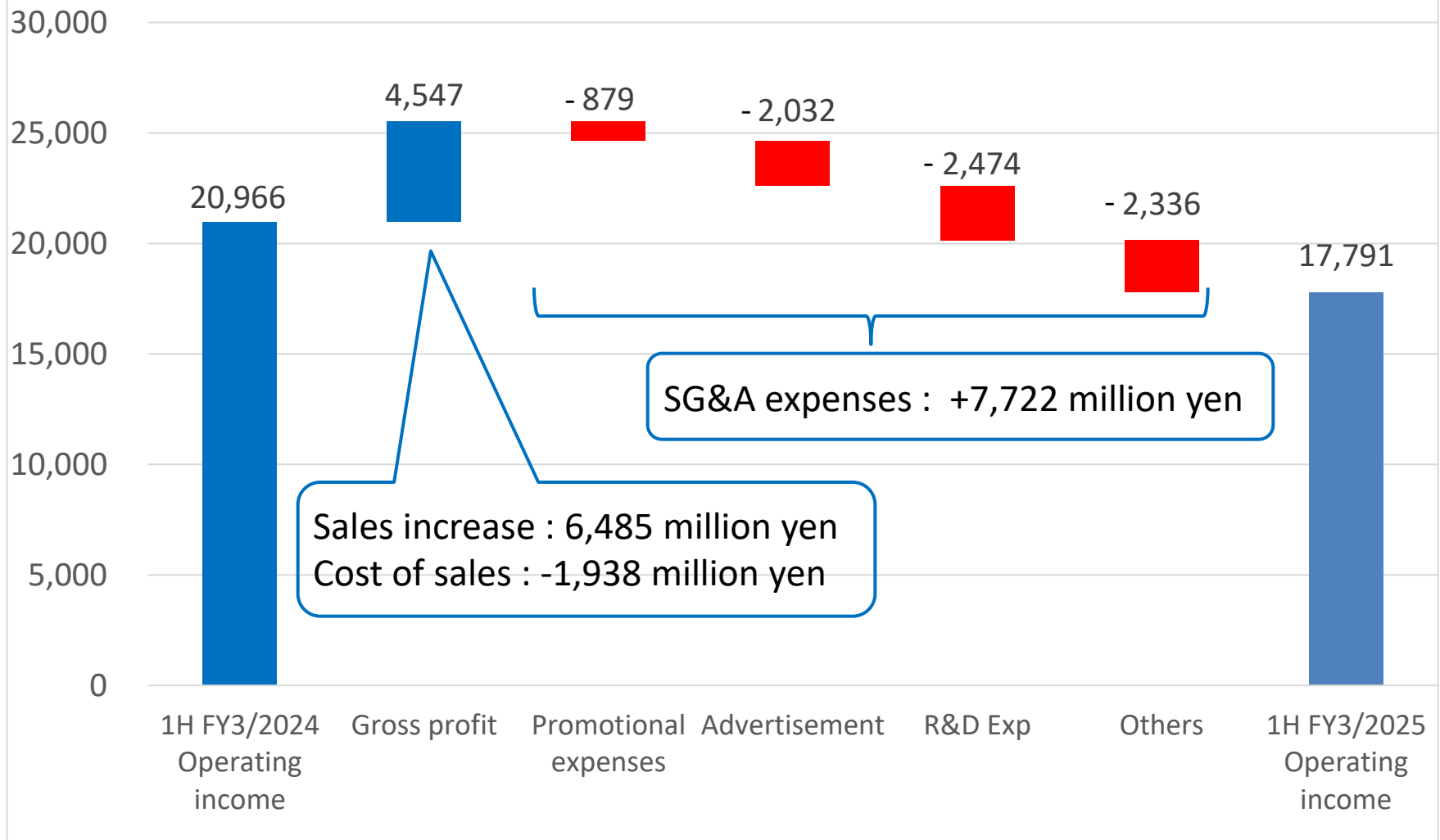
(Millions of yen, rounded down)

	1H FY3/2024	1H FY3/2025	% of Net Sales	YoY Change	YoY Change %
Net Sales	127,869	139,082	100.0	11,212	8.8
Cost of sales	53,909	60,574		6,665	12.4
Cost of sale ratio	42.2	43.6			
SG&A expenses	52,993	60,716	43.7	7,722	14.6
Promotional Exp	7,026	7,906	5.7	879	12.5
Advertisement	15,977	18,009	13.0	2,032	12.7
R&D Exp	5,632	8,107	5.8	2,474	43.9
Others	24,356	26,693	19.2	2,336	9.6
Operating income	20,966	17,791	12.3	(3,175)	(15.1)
Ordinary income	22,678	18,590	13.4	(4,087)	(18.0)
Profit attributable to owners of parent	16,594	12,921	9.3	(3,673)	(22.1)

\*Exchange Rate: {Yen / US\$} = 153.65 (YOY 138.69)  
 {Yen / CNY} = 19.82 (YOY 19.45)

# Composition of Change in Consolidated Operating Income (YoY)

(Millions of yen)



# 1H FY3/2025 Sales by Reportable Segment



(Millions of yen, rounded down)

		1H FY3/2023		1H FY3/2024		1H FY3/2025			
		Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change	YoY Change %
<b>Net Sales</b>		110,313	100.0	127,869	100.0	<b>139,082</b>	100.0	11,212	<b>8.8</b>
<b>Reportable segment</b>	<b>Japan</b>	65,576	59.5	76,411	59.8	<b>81,442</b>	58.6	5,031	<b>6.6</b>
	<b>Asia</b>	29,673	26.9	34,223	26.8	<b>37,906</b>	27.3	3,683	<b>10.8</b>
	<b>America</b>	7,649	6.9	8,765	6.9	<b>10,043</b>	7.2	1,278	<b>14.6</b>
	<b>Europe</b>	6,231	5.7	7,047	5.5	<b>8,030</b>	5.8	982	<b>13.9</b>
	<b>Total</b>	109,131	98.9	126,448	98.9	<b>137,423</b>	98.8	10,975	<b>8.7</b>
<b>Others</b>		1,182	1.1	1,421	1.1	<b>1,658</b>	1.2	237	<b>16.7</b>
<b>Exchange Rate (Yen/USD)</b>		129.88		138.69		153.65			

\*Net Sales to outside customers

# 1H FY3/2025 Operating Income



(Millions of yen, rounded down)

		1H FY3/2023		1H FY3/2024		1H FY3/2025			
		Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change	YoY Change %
<b>Operating Income</b>		16,269	100.0	20,966	100.0	17,791	100.0	(3175)	(15.1)
<b>Reportable segment</b>	<b>Japan</b>	10,428	64.1	13,233	63.1	9,872	55.5	(3,361)	(25.4)
	<b>Asia</b>	4,965	30.5	5,847	27.9	6,037	33.9	189	3.2
	<b>America</b>	96	0.6	564	2.7	659	3.7	94	16.8
	<b>Europe</b>	596	3.7	881	4.2	538	3.0	(342)	(38.9)
	<b>Total</b>	16,087		20,528		17,108		(3,419)	(16.7)
<b>Others</b>		125	0.8	130	0.6	145	0.8	14	11.3
<b>Adjustment</b>		56	0.3	307	1.5	536	3.0	229	74.4
<b>Exchange Rate (Yen/USD)</b>		129.88		138.69		153.65			

# Japan: Increase in Sales and Decrease in Profit



Sales : ¥81,442 million + 6.6% (YoY)

Operating Income : ¥9,872 million -25.4%(YoY)

- ❑ Sales increased due to the gradual recovery in personal consumption and an increase in inbound demand, as well as products that meet customer needs.
- ❑ Sales of new lip balms, “Rohto V5” supplements, “Melano CC,” “Hadalabo,” and high-end eye drops continued to perform strongly.
- ❑ Rohto Nitten Co., Ltd. and Qualitech Pharma Co., Ltd. contributed to sales and profits.
- ❑ Profits decreased due to an increase in the cost of sales ratio as well as a planned increase in selling, general and administrative expenses including R&D expenses.



“Lip Fondue,” for glossy, hydrating lips, became popular quickly after the launch.



“Hadalabo” and “Melano CC” are No. 1 and No. 2 brands for basic skincare sold in drugstores.\*



“Rohto V5 ACT-VISION” is also very popular on e-commerce channels.

\* Intage SRI+ [Weekly]  
Categories : Cosmetics (5 categories)  
Period : From April to September 2024, quantity basis



# Demand of Inbound Sales

- ❑ Inbound sales in Apr. to Sep. increased compared to previous fiscal year.
- ❑ The inbound market decreased in size due to decline of foreign visitors to Japan in Q2 (Jun-Sep) compared to Q1 (Apr-Jun).
- ❑ The number of visitors from East Asia who prefer Rohto's products declined.

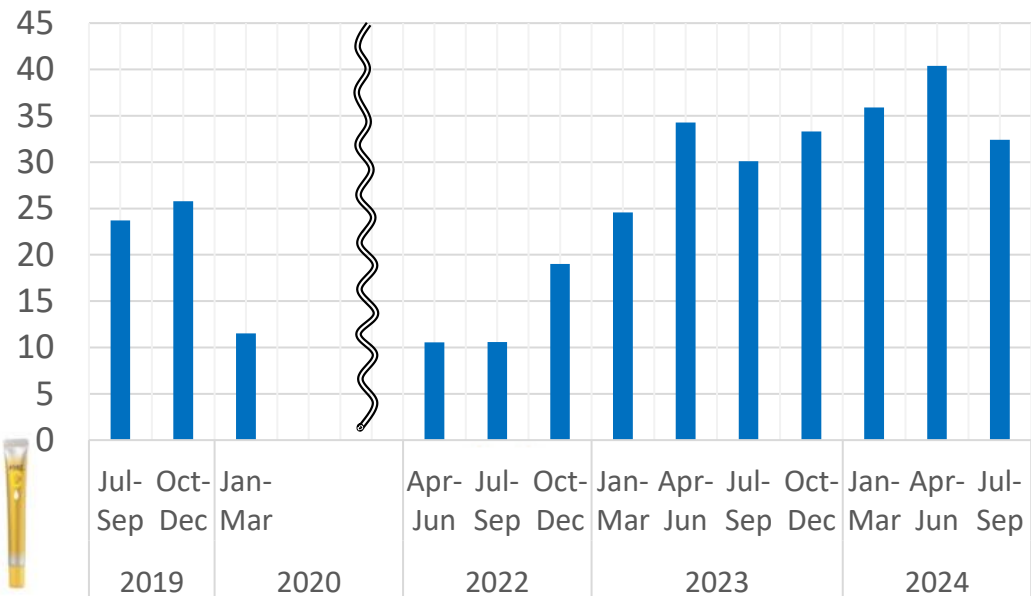


Continued strong demand for eye drops.



## Sales to foreign visitors in Japan (estimate)

(100 Millions of yen)



“Hada Labo” and “Melano CC” are also popular among inbound visitors.

# Asia: Significant Increase in Sales and Profits

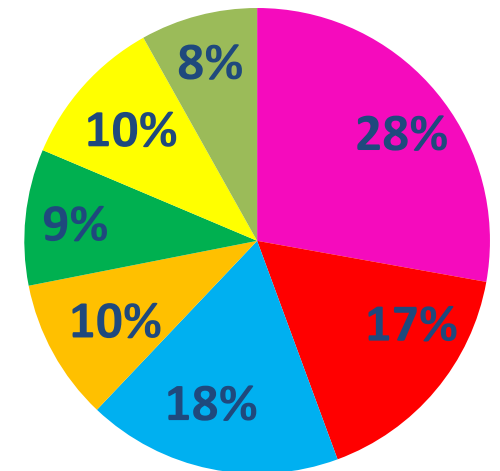


Sales : ¥37,906 million +10.8% (YoY)

Operating income : ¥6,037 million +3.2% (YoY)

- ❑ Sales in Vietnam and Indonesia remained strong.
- ❑ Issuance of import license in Myanmar was severely restricted, which led to difficulties for the import of raw materials and products, resulting in a decrease in sales.
- ❑ Sales of anti-dandruff shampoo “Selsun”, sunscreen and “Hadalabo,” performed strongly.
- ❑ Improvement in the cost of sales ratio resulted in increase in profits, despite EYS acquisition cost and suspension of factory operations in Myanmar, as well as planned increase in advertisement and promotional expenses.

Sales ratio in Asia



■ China      ■ Hong Kong      ■ Vietnam  
■ Indonesia      ■ Malaysia      ■ Taiwan  
■ Others



50,000 young people joined Sunplay Outdoor Music Festival in China which recorded over 400 million online views.



Licence partner with “Chibi Maruko-chan” for the Mentholatum 135<sup>th</sup> anniversary campaign.

# America: Significant Increase in Sales and Profits **ROHTO**

Sales : ¥10,043 million +14.6% (YoY)  
Operating income : ¥659 million +16.8% (YoY)

- ❑ OTC eye drops remained strong.
- ❑ Hydrox Laboratories, which manufactures and sells medical disinfectants, continued to perform strongly.
- ❑ Improvement in profits of Hydrox Laboratories and the Brazilian subsidiary also contributed to increased profits.



Rohto Eye Drops



Hydrox Laboratories  
and its products



Sales : ¥8,030 million +13.9% (YoY)

Operating income : ¥538 million -38.9% (YoY)

- ❑ Sales of major topical analgesic products decreased due to delays in shipments to Middle East.
- ❑ Dax Cosmetics contributed to increase in sales due to strong sales of “Hadalabo Tokyo” and “Perfecta”.
- ❑ “Rohto Dry Aid” launched in 2021 remained strong.
- ❑ Profits decreased due to increase in the cost of sales ratio as well as sales decline of topical analgesic products .

“Hadalabo Tokyo”, winner of the Cosmopolitan Beauty Award, is expanding its sales channels in Europe, US and Middle East.



“Rohto Dry Aid” was newly introduced in Austria.



# Outlook for FY 3/2025 and Activities for Sustainable Growth

November 13, 2024  
Executive President  
Masashi Sugimoto

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# Highlights



- ❑ Forecasts for the full-year remain unchanged.
- ❑ Although the Japanese economy is expected to grow steadily driven by the domestic demand, it is expected that instability of the exchange rate and sharp rise in raw material and fuel prices as well as increase in other prices will persist.
- ❑ We forecast an increase in sales and profits with record-high figures for FY 3/2025.
- ❑ We forecast an increase in net sales and profits of all regions.
- ❑ Overseas
  - ❑ We estimate continued depreciation of Japanese yen.
  - ❑ We will improve brand values globally taking advantage of Mentholatum 135<sup>th</sup> anniversary.
  - ❑ South-East Asia will continue to contribute to growth, despite competitive business environment in China.
  - ❑ Eu Yan Sang and Mono chem-pharm have consolidated starting from the 3<sup>rd</sup> quarter.
- ❑ Japan : Upfront investment for mid to long-term sustainable growth.
  - ❑ We will enter into hair care market full-scale.
  - ❑ We will continue active marketing activities.
- ❑ Dividends are planned to increase for 21 consecutive fiscal years.

# FY3/2025 Full-Year Forecast (Unrevised)



(Millions of yen, rounded down)

	FY3/2023		FY3/2024		FY3/2025 Forecast			
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change	YoY Change %
Net sales	238,664	100.0	270,840	100.0	320,000	100.0	49,159	18.2
Operating income	33,959	14.2	40,048	14.8	43,200	13.5	3,151	7.9
Ordinary income	35,568	14.9	42,434	15.7	44,200	13.8	1,765	4.2
Profit attributable to owners of parent	26,377	11.1	30,936	11.4	32,200	10.1	1,263	4.1
Net income per share (yen)	115.62		135.61		141.14			

Exchange rate

(Yen/USD)

134.19

143.31

148.00

(Yen/CNY)

19.48

19.82

20.00

# FY3/2025 Sales Forecast by Segment (Unrevised)

(Millions of yen, rounded down)

		FY3/2023		FY3/2024		FY3/2025 Forecast			
		Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change	YoY Change %
<b>Net Sales</b>		238,664	100.0	270,840	100.0	<b>320,000</b>	<b>100.0</b>	<b>49,159</b>	<b>18.2</b>
<b>Reportable segment</b>	<b>Japan</b>	136,668	57.3	156,851	57.3	<b>172,800</b>	<b>54.0</b>	<b>15,948</b>	<b>10.2</b>
	<b>Asia</b>	70,773	29.7	78,751	29.7	<b>104,700</b>	<b>32.7</b>	<b>25,948</b>	<b>32.9</b>
	<b>America</b>	16,655	7.0	18,565	6.9	<b>20,800</b>	<b>6.5</b>	<b>2,234</b>	<b>12.0</b>
	<b>Europe</b>	12,231	5.1	13,884	5.1	<b>18,500</b>	<b>5.8</b>	<b>4,615</b>	<b>33.2</b>
	<b>Total</b>	236,327		268,053		<b>316,800</b>		<b>48,746</b>	
<b>Others</b>		2,337	1.0	2,786	1.0	<b>3,200</b>	<b>1.0</b>	<b>413</b>	<b>14.8</b>
<b>Exchange Rate (Yen/USD)</b>		134.19		143.31		148.00			

\*Net Sales to outside customers



# FY3/2025 Operating Income Forecast by Segment (Unrevised)



(Millions of yen, rounded down)

		FY3/2023		FY3/2024		FY3/2025 Forecast			
		Amount	% of Net Sales	Amount	% of Net Sales	Amount	% of Net Sales	YoY Change	YoY Change %
<b>Operating Income</b>		<b>33,959</b>	<b>100.0</b>	<b>40,048</b>	<b>100.0</b>	<b>43,200</b>	<b>100.0</b>	<b>3,151</b>	<b>7.9</b>
<b>Reportable segment</b>	<b>Japan</b>	21,150	62.3	24,437	61.0	25,500	59.0	1,062	4.3
	<b>Asia</b>	10,392	30.6	12,028	30.0	13,400	31.0	1,371	11.4
	<b>America</b>	724	2.1	1,205	3.0	1,500	3.5	294	24.4
	<b>Europe</b>	978	2.9	1,385	3.5	1,700	3.9	314	22.7
	<b>Total</b>	33,245		39,057		42,100		3,042	
<b>Others</b>		204	0.6	240	0.6	300	0.7	59	24.6
<b>Adjustment</b>		509	1.5	750	1.9	800	1.9	49	6.7
<b>Exchange Rate (Yen/USD)</b>		134.19		143.31		148.00			

# Well-being Management

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## Corporate philosophy

For the people to enjoy their fulfilled and happy life, the Company takes the greatest responsibility to **contribute to their mental and physical health** continuously, and to attain such responsibility, the Company endeavors to operate its business from a **long-term perspective** and generate values.

Being fully aware of its mission as a **public organ**, the Company endeavors to cooperate with all persons surrounding the Company to **solve social issues** and share with them all benefits gained through such efforts.

## Rohto's purpose

Our purpose is to lead all individuals and society surrounding us to “well-being” by delivering “health” to people around the world through our products and services and to make people happier and make the future brighter.

## ~Connect for Well-being~

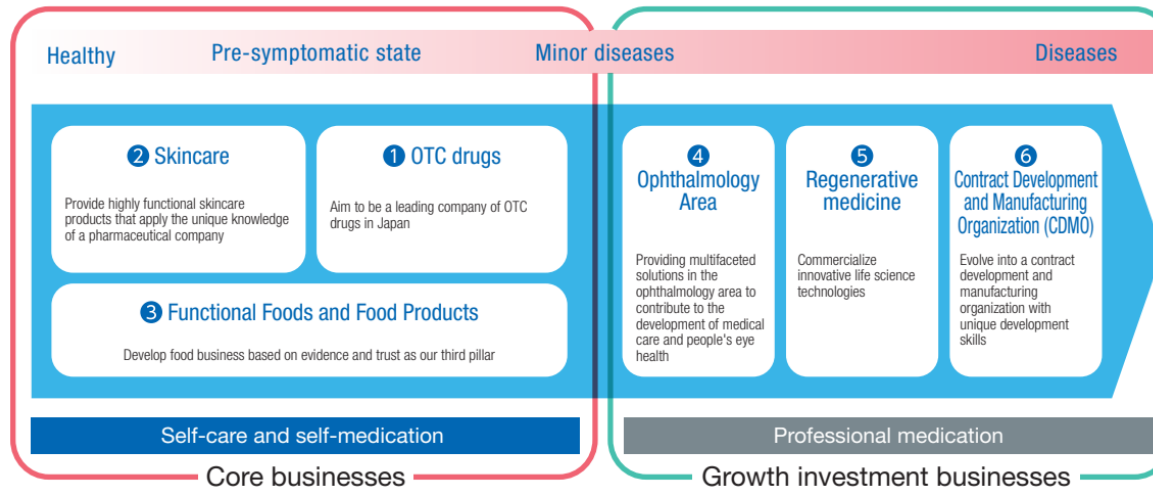
“Well-being” means that people feel energized both mentally and physically, and they spend every day filled with laughter and happiness throughout the various stages of their life.

Rohto strives to be innovative in the fields of medicine and skincare products, as well as other business areas, so that people all over the world can experience “Well-being” then together.

In order to fully realize this goal, we closely “connect” members to those inside and outside of company. We also “connect” organizations to each other. We train our staff members in our chain of trust, so that we can create an organization with a sense of unity and then “connect” them to further people’s “well-being”.



### Domains addressed in Business Area Vision 2030



- Business selection and diversification based on well-being
- A company is a public organ of society
- Long-term perspective
- Enhancement of health portfolio
- Human resources are the essential foundation of management

## Support individual career development

### Believe in and expand your own potential

- External Challenge Work (secondary employment)
- Internal Double Jobs (concurrent positions)
- Asuniwa project (support for entrepreneurs within the Company)
- Well-being Support Room (career counseling)
- Support for participation in external co-creation opportunities

## Pervasion of corporate philosophy/Fostering of organizational culture

### Diverse human resources thriving

### Equal relationships

- Aligning Company Purpose with Individual Will
- Internal Connect (In-house newsletters-Company-wide events)
- Building a praise culture with in-house currency etc.
- Use of "-san" suffix, workplace nicknames and open office

## Maximizing human capital



## Health and productivity management DE&I/Human rights/Occupational safety and health

## Support for learning and self-improvement

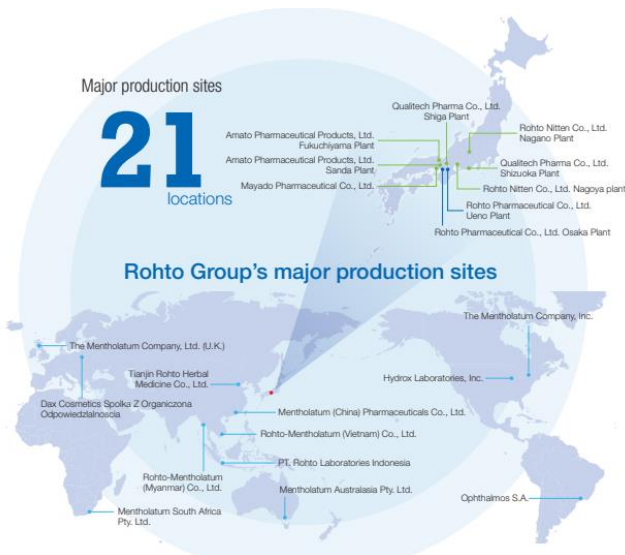
### Willingness and attitude to always keep learning

- Rohto Academy (Self-directed learning platform)
- Formation of a Learning Community
- Learning from the next generation

## Rohto-style HR management

### Create and seize your own opportunities

- Human Resources Committee focusing on diverse individuals
- Personnel system for developing autonomous human resources (RVP, Rank-up self-nomination system)
- Career Vision Sheet
- Feedforward Interview



## ■ Overseas

- Strengthening of eye drop production line in Indonesia
- Strengthening production capacity by launching the second plant in Vietnam
- Reinforcement of production lines at Hydrox
- Acquired Mono chem-pharm Produkte GmbH, manufacturer of ENT-related medicines and eye drops



## ■ Japan

- Development of a “Cyber-physical System”
- Reinforcement of production capacity of Ueno plant
- Acquisition of plants manufacturing specific cell-processed products

# Intellectual Capital Enhancement

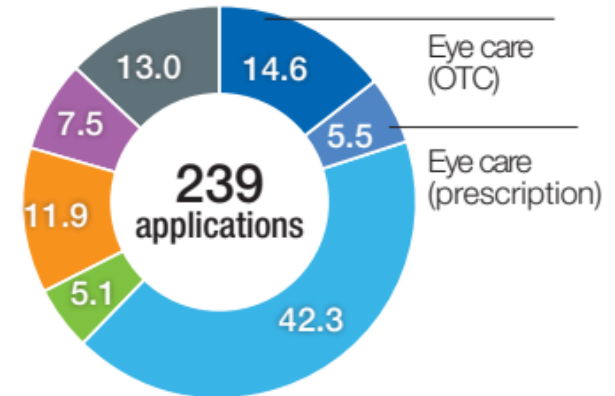


## □ Portfolio construction

### Number of Patent Applications



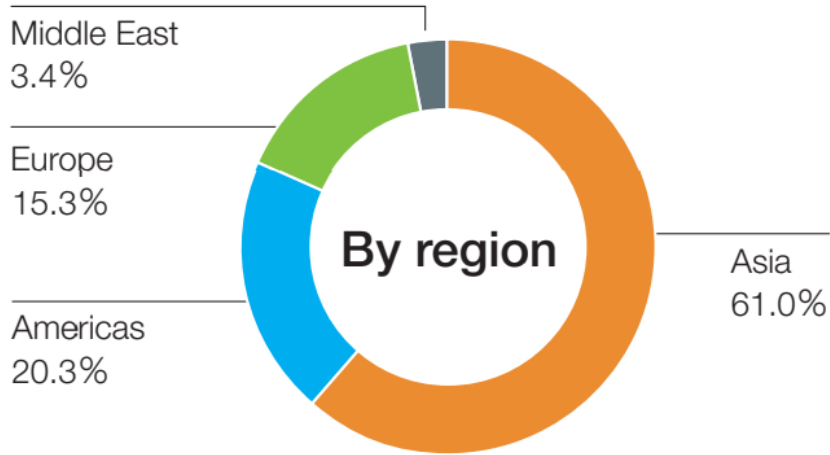
2019 to 2023



## □ Intellectual property strategies for overseas

### Patent Registrations by Region

\* Patents valid as of December 2023



### Building Intellectual Property Rights Globally





## □ Comprehensive strength of ophthalmological patents

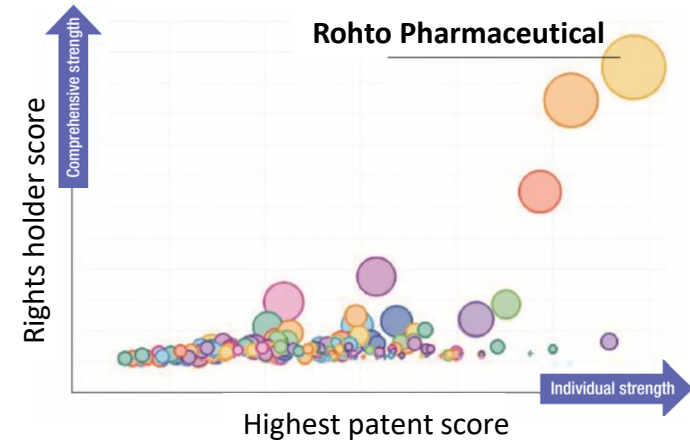
Ranking of Comprehensive Strength of Ophthalmological Medicine-Related Technology Patents\*

### 1 Rohto Pharmaceutical

- 2 Santen Pharmaceutical
- 3 Senju Pharmaceutical
- 4 NOVARTIS
- 5 ABBVIE
- 6 PFIZER
- 7 Kowa Company
- 8 F. HOFFMANN LA ROCHE
- 9 BRISTOL-MYERS SQUIBB
- 10 UNIVERSITY OF CALIFORNIA

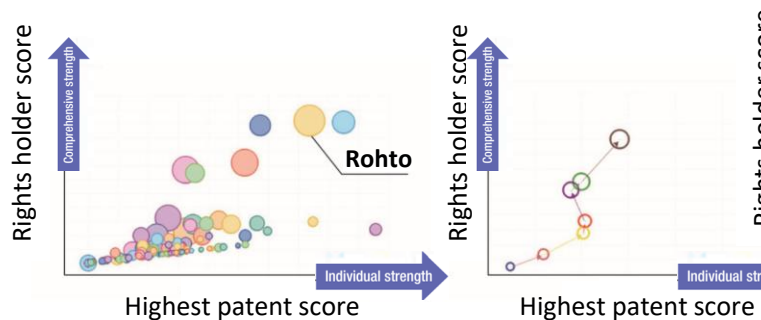
\* Source: Research by Patent Result Co., Ltd. Patents issued between January 1993 and September 9, 2022 are included. The spelling of the companies' names is based on the names published by Patent Result Co., Ltd.

## Ophthalmological Medicine Patents

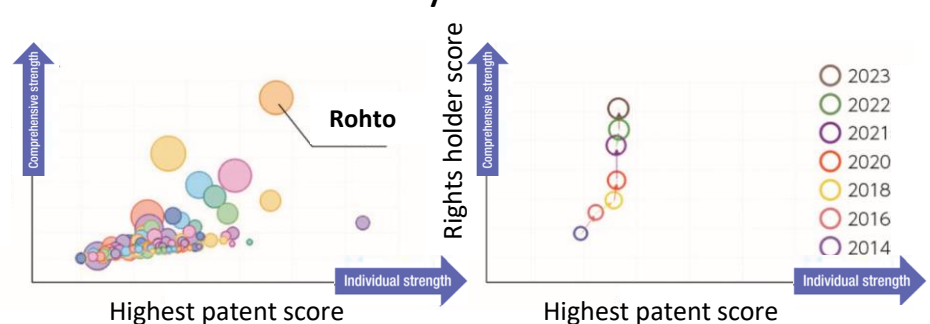


## □ Patents for key ingredients

### Cosmetics x Vitamin C



### Cosmetics x Hyaluronic acid

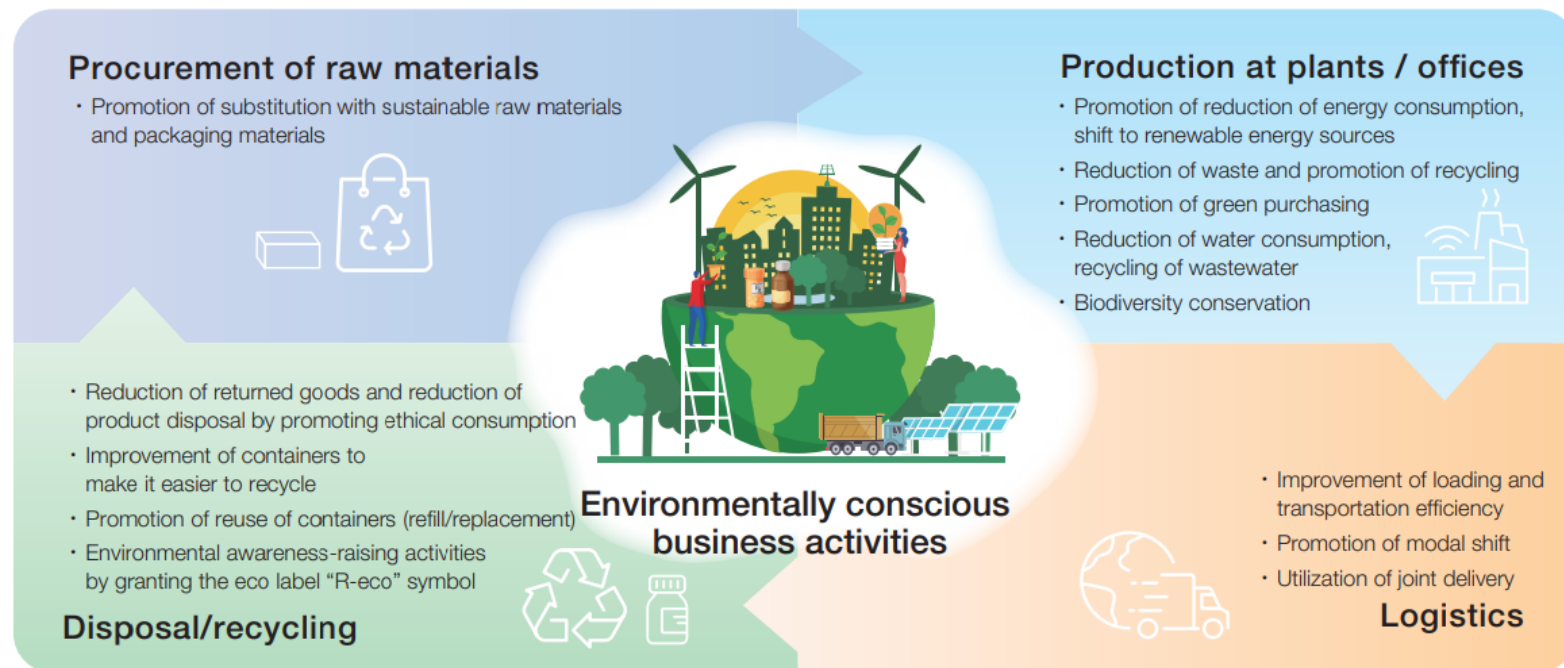


\* Created by the Company using Patent Result Co., Ltd.'s patent analysis tool "BizCruncher." The size of the circle indicates the number of valid patents in the relevant field, the horizontal axis shows the score of the single patent with the highest value among the patent group of each rights holder, and the vertical axis shows the sum of the scores of each rights holder's patents.

# Sustainable Global Environment



- 2005 : Set out an environmental policy
- 2018 : Signed the United Nations Global Compact
- 2021 : Responding to climate change (TCFD: Task Force on Climate-related Financial Disclosure)  
Set our CO2 emission reduction target (Non-consolidated basis only)  
Established sustainability committee
- CO2 emission reduction target for Scope 1 and 2 : 46% reduction for 2030 compared to FY 2014
- 2021 Reduction of environmental impact of the entire value chain



Refer to our web page for more details  
<https://www.rohto.co.jp/global/sustainability/>



# Sustainable Global Environment



- Initiatives for a recycling-based society
  - 2023 : Establishment of the plastic usage policy
  - Initiatives in product development
    - Using biomass materials
    - Simplified packaging

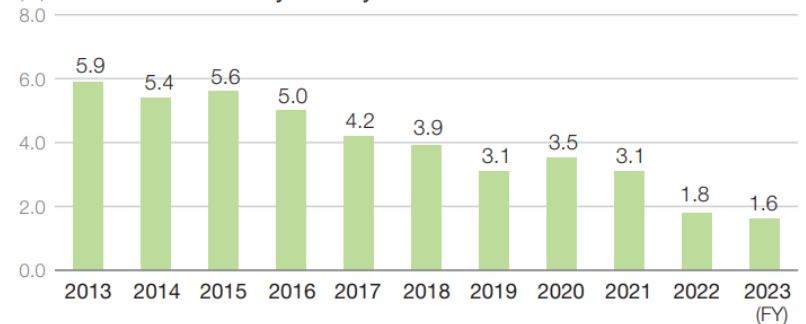
- Reduction of product disposal
  - Achieved 99% recycling rate in Ueno plant
  - Reduction of returned goods
  - Participating in Go Ethical
  - Printing the necessary package inserts for OTC drugs on the inside of the paper box

- Efficient use of water resources

- Initiatives for biodiversity conservation
  - Sustainable paper products procurement
  - Sustainable palm oil procurement
  - Initiatives for Coral Conservation

- 2022 : Have developed a sunscreen that does not contain ingredients implicated in marine pollution and coral die-off, launching the Skin Aqua “NEXTA” series.
- Established a new method for evaluating the effects of formulations on corals.

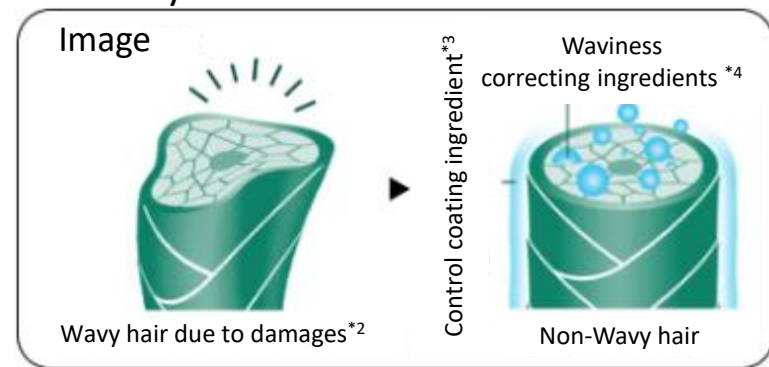
(%) Actual return rate by fiscal year



# Full-scale Entry into Hair Care Market



- Applied knowledge and technology from skincare and regenerative medicine research to scalp and hair care products.
- Performed collaborative research with universities on adipose-derived stem cells of the scalp and detailed analysis of internal part of the hair, which causes hair waviness and spreading.
- Haircare products launched to the present
  - “Mediquick H” line to alleviate concerns of dandruff, itching, and other scalp issues
  - Hair regrowth treatment, “REGRO” line contains hair regrowth ingredient minoxidil
  - “50 Megumi” line, No. 1\*<sup>1</sup> haircare brand in Hong Kong
  - New brands: “Gyutto” and “PRORY”
  - Adopted original “core corset technology”<sup>\*5</sup> for “Gyutto” and “PRORY”



\*1: NielsenIQ MarketTrack Service data. Sales value of 50 Megumi in total HK under Shampoo, Hair Treatment & Hair Coloring categories in 2023 jan-Dec.

\*2: UV rays, dryness, and other damage disturbs hair's internal structure that serves to maintain hair shape.

\*3: Control coating ingredient (PVP)

\*4: Waviness correcting ingredients (Diammonium Aminoethylthiosuccinate and lactic acid)

\*5 Control coating ingredient (PVP) and waviness correcting ingredients

# Mentholatum 135<sup>th</sup> Anniversary (Japan)



- Nov. to Jan. : PLAY! PARK X Rohto's "friendly meddling" fun  
Five workshops and games based on the theme of "Mentholatum" are planned.



- Bling-bling Mentholatum
- Mentholatum nurse
- Mentholatum bathtub
- Lucky charm
- Mentholatum blocks

- In November, "Mentholatum Flower Stand" was exhibited in Tokyo and Osaka to express appreciation.



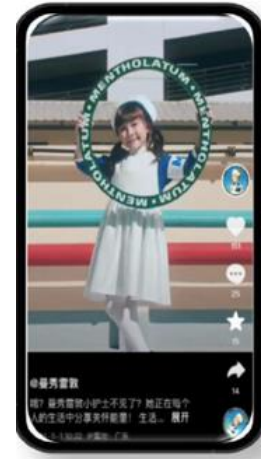
Free original flowers were distributed to show kind thoughts to special someone



Images of flower stand



# Mentholatum 135<sup>th</sup> Anniversary (Overseas)



**135<sup>th</sup>**  
Anniversary

Extensive outdoor and digital advertising campaign in China



Mentholatum 135<sup>th</sup> anniversary marathon was held in Hong Kong

Several events were held globally



Limited edition products were launched in each country

- Focusing on the culture media business
  - Rohto's original, complete AOF media\*<sup>1</sup> "R:STEM" has become the first in Japan to receive FIRM Mark certification
  - Launched "StemNavi™\*<sup>2</sup>", AOF medium for production of EVs\*<sup>3</sup>
- Planning to exhibit "The Mirai Society of 2050, where regenerative medicine has become accessible" at Osaka, Kansai Expo
  - Personalized cell therapy will become an accessible option



Exhibition booth at the  
Osaka Healthcare Pavillion

Next-generation  
automated  
culture device



\*1. AOF media: culture media which does not include animal and/or human related substances

\*2. StemNavi: hMSC expansion AOF w/o Phenol Red

\*3. Extracellular Vesicles (EVs): general term for vesicles with a lipid bilayer membrane structure consisting of exosomes and other vesicles containing growth factors and intercellular signaling molecules that promote tissue regeneration. They are secreted by cells and facilitate intercellular communication.

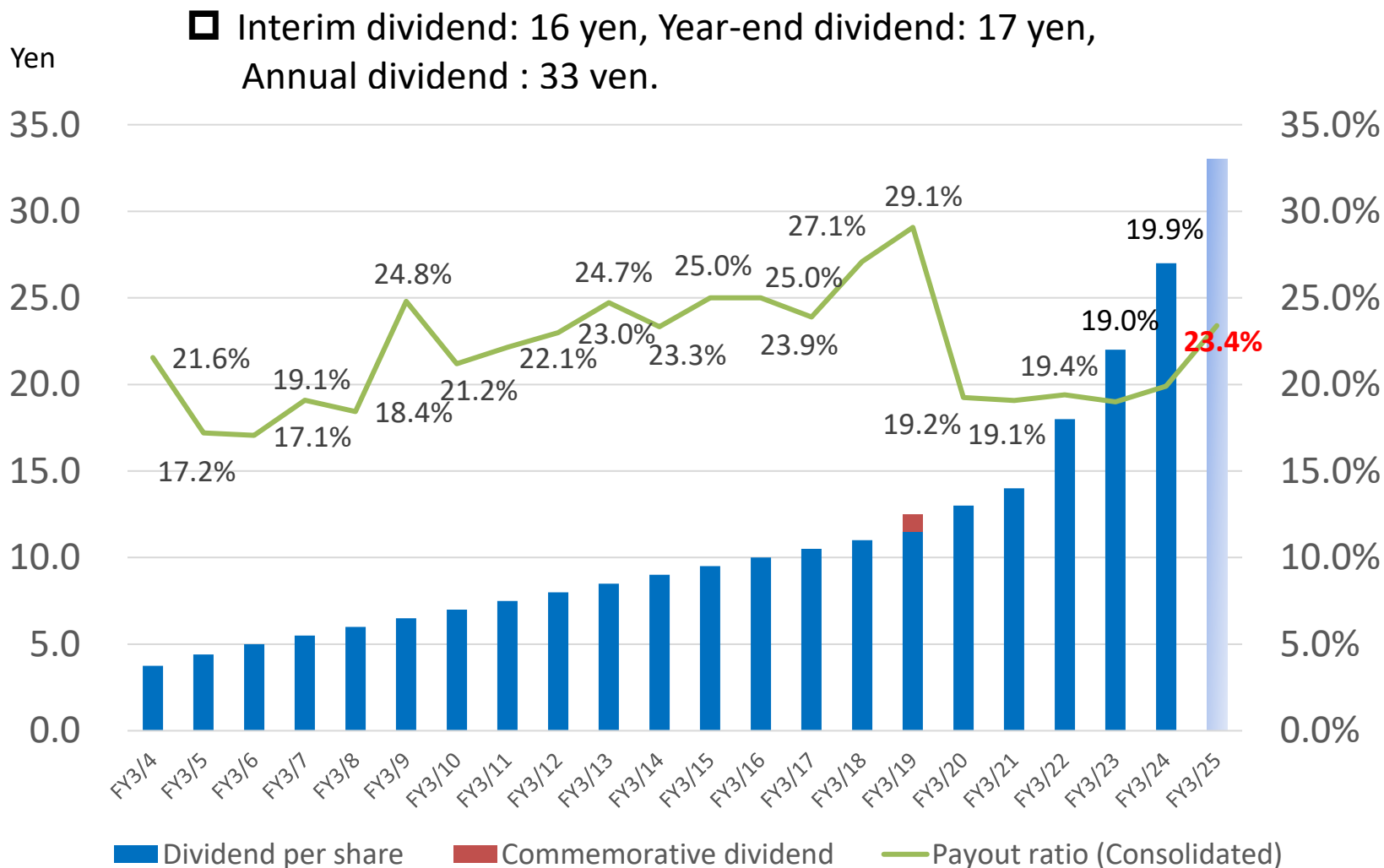
# Eu Yan Sang international Ltd.



- In FY3/2025, the semi-annual income statement of EYS (Jul. to Dec. 2024) will be consolidated.
  - Sales of over 18 Billion Yen
  - Profit of current fiscal year is offset by amortization of goodwill
- EYS is expected to grow sales by 7-8% and improve the operating margins from this year onwards.
- Amortization of goodwill, etc. is expected to be approximately 3 billion yen per year (amortized over 20 years).
- \*The amount of goodwill is provisional, and to be finalized after PPA is completed.
- Collaborative projects are ongoing among EYS, Rohto and MITSUI & CO., LTD.



# Forecast to increase dividends for 21 consecutive fiscal years



\*Figures indicated before FYE 2023 is the amount after the stock split.

- **This document was prepared for the purpose of providing an understanding of the current status of the Company as a reference for investment decisions.**
  - **The contents contained herein are prepared based on economic, social and other conditions generally recognized as prevailing at the time of preparation and on certain assumptions judged to be reasonable by the Company, but may be subject to change without notice due to changes in the business environment or other reasons.**
  - **This document contains information on pharmaceutical products and other products (including products under development).  
Such information is not intended as promotion, advertising or medical advice.**
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