Financial Results Briefing for Q3 (Apr – Dec) of the Fiscal Year Ending March 31, 2025

ROHTO Pharmaceutical Co., Ltd.
February 12, 2025

Highlights of Q3 of FY3/2025

- Summary
  - The personal consumption remained on a gradual recovery track due to improvements in the employment and income environment, but this has not yet led to a full-scale economic recovery. Sales increased significantly due to higher inbound demand, products that meet customer needs, and the impact of yen depreciation, and consolidation of Singaporean herbal medicine manufacturer, Eu Yan Sang International Ltd. (EYS) and Austrian Mono chem-pharm Produkte GmbH (Mono) contributed to increased sales as well.
  - 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. (Profits increased in Q3 as QoQ basis)
- In the domestic market, sales increased while profits decreased.
  - Sales of new lip balms, “Rohto V5” supplements, “Hadalabo”, “Melano CC”, and high-end eye drops continued to perform strongly.
  - Inbound demand increased.
  - Rohto Nitten Co., Ltd. and Qualitech Pharma Co., Ltd. contributed to sales increase.
  - 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.
- Sales in Americas, Europe and Asia show double-digit growth.
- EYS and Mono are now consolidated as Asian and European segment, respectively.
- Forecasts for full-year results remain unchanged.
- Year-end dividend will increase to 20 yen (+3 yen compared to the most recent announcement) and 36 yen for annual dividends.
- Dividends are planned to increase for 21 consecutive fiscal years, with a dividend payout ratio of 25.5%.

Q3 FY3/2025 Consolidated Results

(Unit = Millions of yen, rounded down)

	FY3/2024		FY3/2025					
	3Q	1-3Q	3Q (Oct - Dec)			1-3Q (Apr - Dec)		
	Amount	Amount	Amount	YoY Change %	% of Net Sales	Amount	YoY Change %	% of Net Sales
Net Sales	73,293	201,163	**86,812**	18.4	100.0	**225,895**	12.3	100.0
Gross profit	43,458	117,419	**50,489**	16.2	58.2	**128,997**	9.9	57.1
SG&A expenses	29,162	82,156	**36,012**	23.5	41.5	**96,729**	17.7	42.8
Promotional Exp	3,577	10,603	**4,852**	35.6	5.6	**12,758**	20.3	5.6
Advertisement	10,150	26,128	**9,697**	(4.5)	11.2	**27,706**	6.0	12.3
R&D Exp	2,745	8,377	**3,566**	29.9	4.1	**11,673**	39.3	5.2
Others	12,689	37,046	**17,897**	41.0	20.6	**44,590**	20.4	19.7
Operating income	14,295	35,262	**14,476**	1.3	16.7	**32,267**	(8.5)	14.3
Ordinary income	14,568	37,247	**14,793**	1.5	17.0	**33,383**	(10.4)	14.8
Profit attributable to owners of parent	9,563	26,157	**11,885**	24.3	13.7	**24,806**	(5.2)	11.0
EBITDA	—	41,567	**—**	—	—	**40,766**	(1.9)	—

1-3Q FY3/2025

- **Sales**
  Double-digit growth
- **Impact of Yen depreciation**
  Sales: +6,000 million yen
  O.I.: + 770 million yen
- **Gross profit ratio**
  Improved compared to Q2
  Lower than last year
- **Decreased Profit**

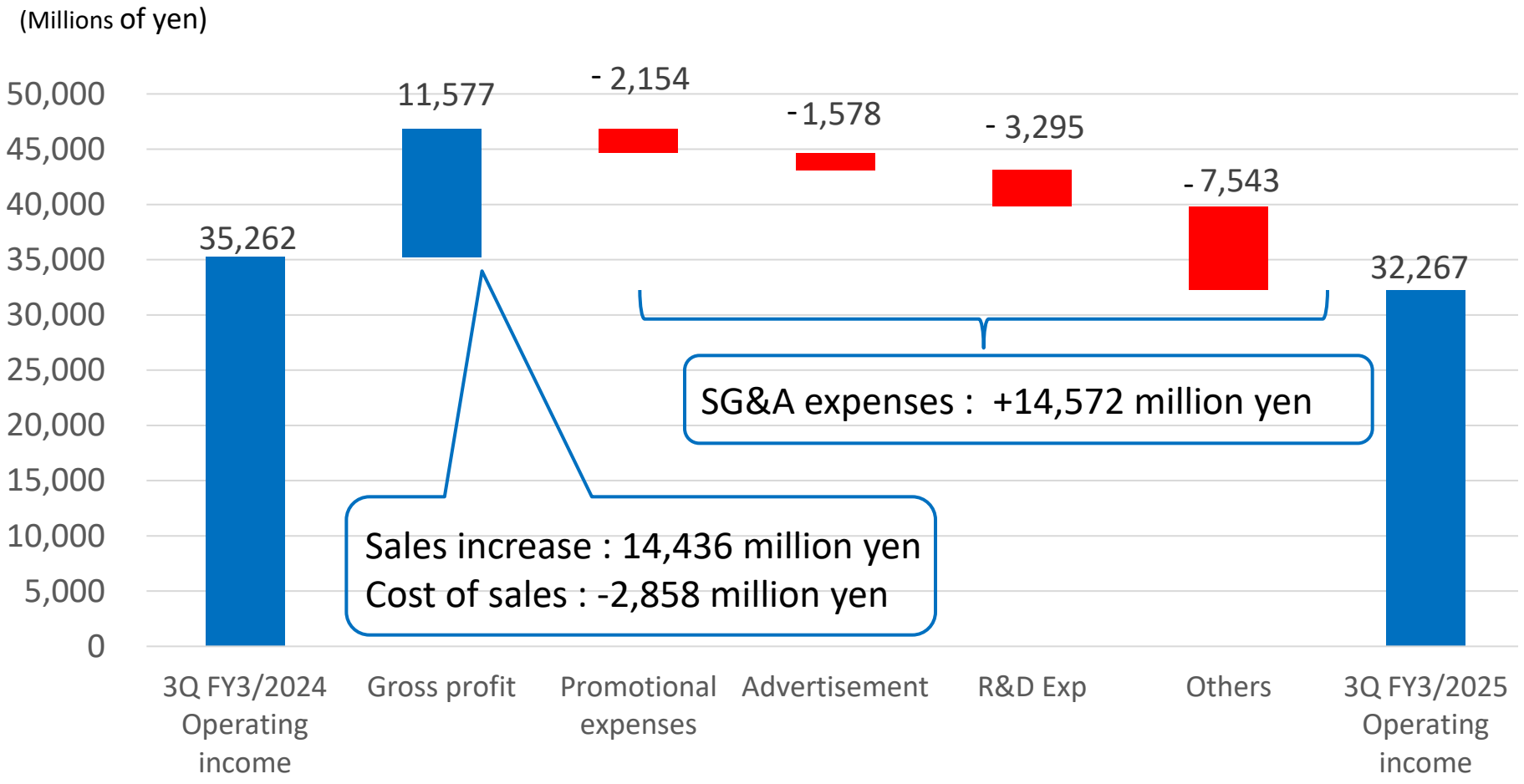
3Q FY3/2025

- **Sales**
  Significantly increased due to consolidation of EYS and Mono
- **Decreased AD ratio**
- **Profits**
  All types of profits increased

*EBITDA = Operating Income + Depreciation + Amortization of goodwill

*Exchange Rate: 〔Yen ／ US$ 〕 =152.11 （LY 142.16）
〔Yen ／ CNY〕 =20.97 （LY 19.61）

Composition of Change in Consolidated Operating Income (YoY)



▪COG in Japan

COG increased due to renovation of Ueno plant resulting in a decline of factory operation rate, increase in labor cost and higher depreciation.

▪COG in Europe

COG increased due to a reduction of production volume of topical analgesic product.

▪Other SG&A Expense

System investment increased, and labor costs also rose due to addition of EYS and Mono.

Q3 FY3/2025 Sales by Reportable Segment

(Unit = Millions of yen, rounded down)

	FY3/2024		FY3/2025					
	3Q	1-3Q	3Q (Oct - Dec)			1-3Q (Apr - Dec)		
	Amount	Amount	Amount	YoY Change %	% of Net Sales	Amount	YoY Change %	% of Net Sales
Japan	41,666	118,078	**44,802**	7.5	51.6	126,245	6.9	55.9
Asia	22,525	56,748	**30,640**	36.0	35.3	68,547	20.8	30.3
Americas	4,934	13,699	**5,104**	3.4	5.9	15,147	10.6	6.7
Europe	3,480	10,528	**5,379**	54.6	6.2	13,410	27.4	5.9
Sub total	72,607	199,055	**85,928**	18.3	99.0	223,351	12.2	98.9
Others	686	2,107	**884**	29.0	1.0	2,543	20.7	1.1
Total Sales	73,293	201,163	**86,812**	18.4	100.0	225,895	12.3	100.0

*Net Sales to outside customers

- Sales increased in all regions.
- Sales increased with double-digit growth in overseas regions.
- Sales in Japan shows high growth in Q3 (QoQ).

Q3 FY3/2025 Operating Income

(Unit = Millions of yen, rounded down)

	FY3/2024		FY3/2025					
	3Q	1-3Q	3Q (Oct - Dec)			1-3Q (Apr - Dec)		
	Amount	Amount	Amount	YoY Change %	% of Net Sales	Amount	YoY Change %	% of Net Sales
Japan	8,426	21,660	**8,611**	2.2	59.5	**18,483**	(14.7)	57.3
Asia	4,991	10,839	**4,778**	(4.3)	33.0	**10,815**	(0.2)	33.5
Americas	399	964	**424**	6.3	2.9	**1,084**	12.4	3.4
Europe	160	1,042	**438**	172.5	3.0	**977**	(6.3)	3.0
Sub total	13,979	34,507	**14,252**	2.0	98.5	**31,361**	(9.1)	97.2
Others	69	200	**64**	(7.2)	0.5	**210**	4.9	0.7
Adjustment	246	554	**159**	(35.5)	1.1	**696**	25.5	2.2
Operating Income	14,295	35,262	**14,476**	1.3	100.0	**32,267**	(8.5)	100.0

- Profit increased in Americas
- Profit in Q3 also increased in Japan and Europe.

Japan: Increase in Sales and Decrease in Profit

Sales : ¥126,245 million +6.9% (YoY) and +7.5% (QoQ)
Operating Income : ¥18,483 million -14.7.%(YoY) and +2.2%(QoQ)

- Rohto's non-consolidated sales performed well.
  Sales: +7.8% (YoY) and +9.9% (QoQ), O.I. : -15.1% (YoY) and +3.3% (QoQ)
- Sales of new lip balms, "Rohto V5" supplements, "Melano CC", "Hadalabo", "CareCera" and high-end eye drops continued to perform strongly.
- New hair care brand, Gyutto resumed shipping upon increase of production capacity, and sales continues to be strong.
- Rohto Nitten Co., Ltd. and Qualitech Pharma Co., Ltd. contributed to sales increase.
- 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.



"Lip Fondue," for glossy, plumped lips, became popular quickly after the launch.



"Gyutto", frizzy hair treatment for adults, received many cosmetic awards.
It became out of stock 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 very popular on e-commerce channels.

* Intage SRI+ [Weekly]
Categories : Total cosmetics (4 categories)
Period : From Apr to Dec 2024, unit sales.

Demand of Inbound Sales



Eye drops have strong demand.



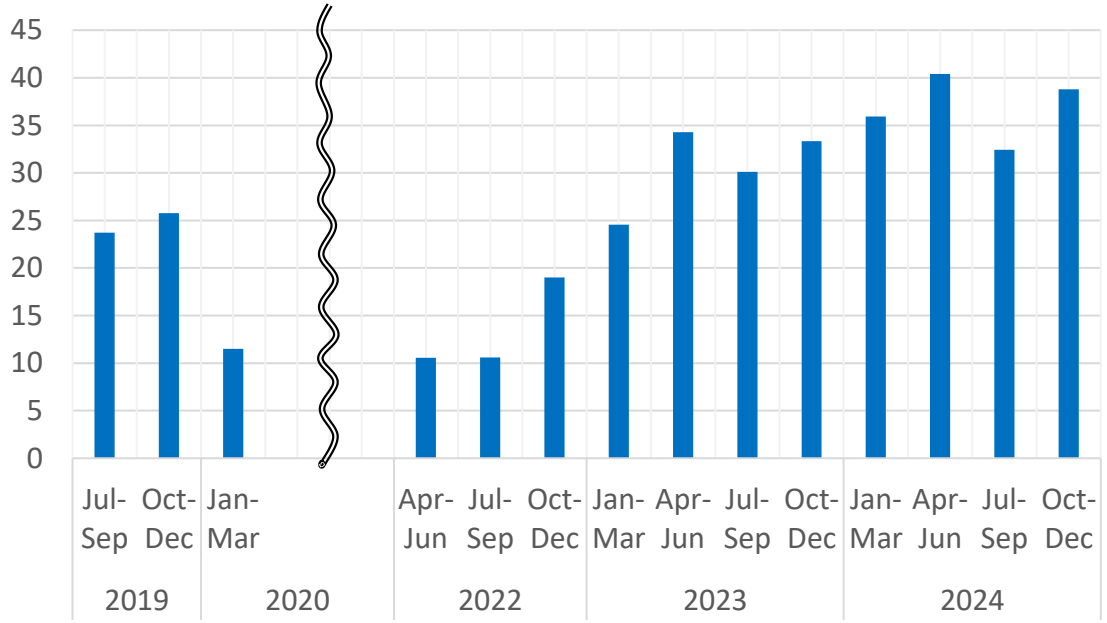
“Hadalabo” and “Melano CC” are popular among inbound visitors.



Lip balms are also popular.

Sales to foreign visitors in Japan (estimate)

(100 Millions of yen)

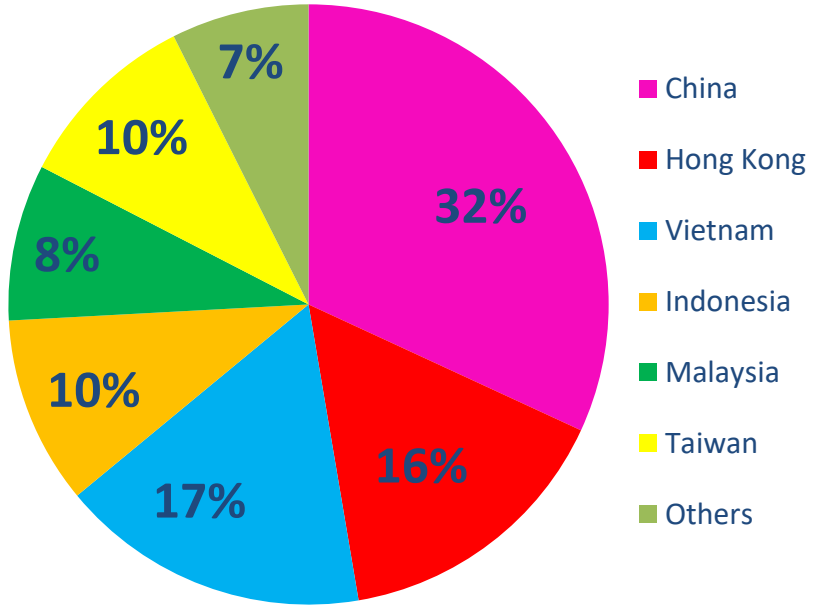


Asia: Significant Increase in Sales

Sales : ¥68,547 million +20.8% (YoY) and +36.0% (QoQ)
Operating income : ¥10,815 million -0.2%(YoY) and -4.3%(QoQ)

- Sales in Vietnam and Indonesia remained strong.
- EYS is consolidated starting Q3.
- Market demands in Hong Kong and Singapore declined .
- Import into Myanmar was severely restricted, which led to difficulties for the import of raw materials and products, resulting in a decrease in sales and profit significantly.
- Sales of anti-dandruff shampoo “Selsun”, sunscreen products and “Hadalabo,” performed strongly.
- The company had amortization of goodwill for EYS, 500 million yen, and also faced an impact of decline in profit by Tianjin ROHTO.

Sales ratio in Asia excluding EYS





Promotional campaign of Mentholatum 135th anniversary ran in Asian regions contributing to an increase of brand awareness and products sales.



Anti-dandruff shampoo “Selsun”, continued to perform well in South-East Asia as well as China.

Americas: Significant Increase in Sales and Profits

Sales : ¥15,147 million　+10.6% (YoY) and +3.4% (QoQ)
Operating income : ¥1,084 million　+12.4%(YoY) and +6.3%(QoQ)

- OTC eye drops remained strong.
- Hydrox Laboratories, which manufactures and sells medical disinfectants, continued to perform strongly.
- Brazilian subsidiary contributed to increased sales thanks to popular “Hadalabo” and ophthalmologic products.
- Improvement in profits of Hydrox Laboratories and the Brazilian subsidiary also contributed to increased profits.

“Dual Light Relief” was launched in Aug 2024.





Europe: Significant Increase in Sales and Decrease in Profit

Sales : ¥13,410 million +27.4% (YoY) and +54.6% (QoQ)
Operating income : ¥977 million -6.3%(YoY) and +172.5%(QoQ)

- Sales is on recovery track despite a delayed shipment of major topical analgesic products to Middle East countries.
- Dax Cosmetics contributed to increase in sales due to strong sales of “Perfecta” and “Hadalabo Tokyo” which expanded sales countries.
- “Rohto Dry Aid”, launched in 2021, explored new markets and remained strong.
- Mono chem-pharm started to be consolidated.
- “Profits decreased due to increase in the cost of sales ratio, as well as sales decline of topical analgesic products .

SIGMA PHARM Qualität aus Österreich MoNo





“Hadalabo Tokyo”received best skin hydration product award in the UK.
It also started to be distributed to Finland and Albania and now selling in 26 countries.

Outlook for full-year results
FY 3/2025

FY3/2025 Full-Year Forecast (Unrevised)

- Estimated to have both record high sales and profit.
- Estimated to achieve EBITDA, 54,900 million yen (+12.7%) vs 48,700 million yen in LY.

(Unit = 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)

(Unit = 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
Reportable segment	Japan	136,668	57.3	156,851	57.3	172,800	54.0	15,948	10.2
	Asia	70,773	29.7	78,751	29.7	104,700	32.7	25,948	32.9
	Americas	16,655	7.0	18,565	6.9	20,800	6.5	2,234	12.0
	Europe	12,231	5.1	13,884	5.1	18,500	5.8	4,615	33.2
	Total	236,327		268,053		316,800		48,746	
Others		2,337	1.0	2,786	1.0	3,200	1.0	413	14.8
Exchange Rate (Yen/USD)		134.19		143.31		148.00			

*Net Sales to outside customers

FY3/2025 Operating Income Forecast by Segment (Unrevised)

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

Progress of the Development of Regenerative Medicines

☐Osteoarthritis: Proceeded to P2 trial from non-clinical stage

Pipeline of Regenerative Medicines (as of Feb 2025)

Domain	Cell type	Code	Indications	Planned regions	Partners	Stage	Current stage completion target*1
Regenerative medicine	Human adipose-derived stem cells	ADR-001	Cirrhosis of the liver	Japan	Shionogi	P2	(P2 Completed)
		ADR-002K	Severe cardiac failure	Japan		P1	(P2 in preparation)
		ADR-001	Kidney diseases	Japan		P1	(P2 in preparation)
		ADR-001	Severe leg ischemia	Japan		P1	▶FY2024
		ADR-001	Lung fibrosis	Japan		P2	▶FY2024
	Human umbilical cord-derived stem cells	UDI-001	Neurodegenerative diseases	Japan		P1	(P1 completed)
	Cartilage cell kit*2		Traumatic cartilage defects	Japan		P2	(Application in preparation)
			Osteoarthritis	Japan		P2	FY2027

*1 Targets are for Rohto and are not agreed upon by partners. *2 Produced by Interstem Co., Ltd. (our subsidiary)

Progress of the Development of Ophthalmological Drugs

☐No change in pipeline

Pipeline of Ophthalmology Area (as of Feb 2025)

Domain	Code	Indications	Planned regions	Partners	Stage	Target*1
					Non-clinical / P1 / P2 / P3 / Application	
Ophthalmology area	ROH-101	CMV*2 Corneal endotheliitis	Japan	Théa, M'z Science	P3	▸ Approval in 2026
	ROH-201	Dry eyes*3	Japan	Japan Tobacco	P2	▸ Approval in 2028
	ROH-202	Ophthalmic treatment agent	Japan	D. Western Therapeutics Institute, Inc.	P1	—
	ROH-001	Suppression of myopia progression	Japan	Tsubota Laboratory, Inc.	Non-clinical	—

*1 Targets are for Rohto and are not agreed upon by partners. *2 Cytomegalovirus *3 Dry eye patients including those with Sjögren's syndrome

- ROH-101: P3 trial completed
- ROH-201: P2b trial completed

Capital and Business Alliance Agreement with Doctor's Choice

☐Signed a capital and business alliance agreement with Doctor's Choice on Jan. 24th.

☐The aim of this alliance:

Through the alliance, we aim to share and combine the technology and know-how of both companies in the fields of skincare and cosmetics, as well as supplements and functional foods, and to cooperate in R&D, raw material supply, manufacturing and sales, in order to realize a healthy and well-being society.

☐Promising functional ingredients for future collaboration:

●Stabilized Vitamin C Derivative :MIRAVC®

- Stable vitamin C Derivatives with neutral pH
- Less-irritant compared to conventional acidic Vitamin C

●MAAs（Mycosporine-like amino acids ）

- MAAs can be promising alternative compounds for UV absorbers as the regulations becomes strict.
- Natural anti-UV compounds originated from algae
- Unique manufacturing process enables high yield and stable supply
- Stimulate the secretion of hyaluronic acid, collagen and elastin
- Promote skin hydration effects
- Anti-wrinkle effects

☐About Doctor's Choice

Company Name	**Doctor's Choice Co., Ltd.**
Location	**Stage Building, 2-7-2 Fujimi, Chiyoda-ku, Tokyo**
Foundation	**May 9, 2006**
President	**Akio Yamamoto**
Main Business	**Development, manufacturing and sales of cosmetics and functional foods**
Number of Employees	**35 (Including contract and part-time workers)**
Partnership with external research institutes	**: Tsukuba, Tokyo, Utsunomiya, Kanagawa Dental, Nippon, Kagoshima, Chuo, The Nippon Dental, Juntendo, Tokyo Agriculture University**
URL	**https://drs-choice.co.jp/**

Prediction of Pollen Dispersal

☐The pollen dispersal is expected to start from early February 2025 in some of Kyushu and Kanto.

☐The pollen dispersal in 2025 is expected to be more than usual over a wider area, even twice the amount in Shikoku and Kinki areas.

☐Anti-pollen brand, Alguard Sales in LY: 4.5 Billion yen

Hot New Products

☐Sunscreen





“Skin Aqua Hyaluronic Serum UV” obtained No.1 in new UV care category in Amazon.

☐ “GYUTTO”

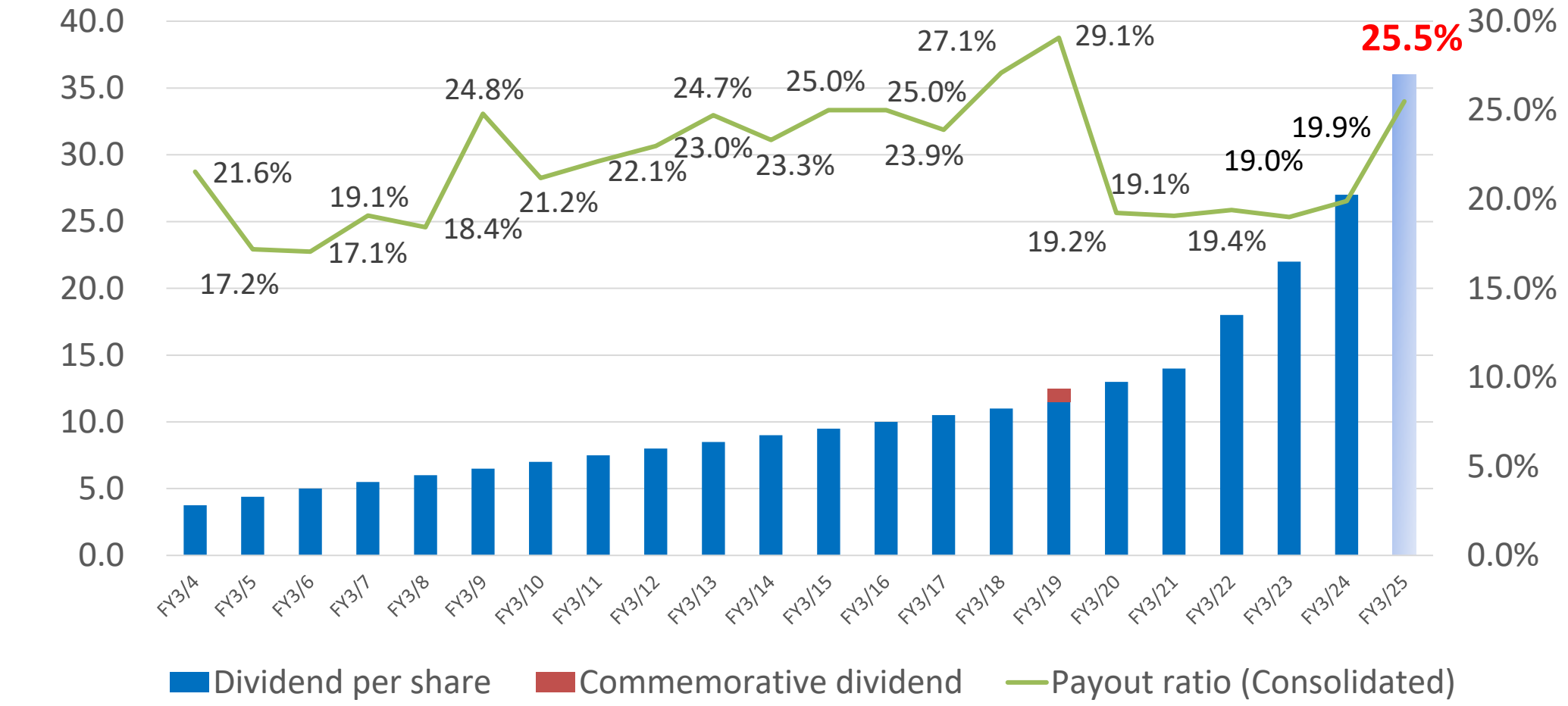


☐“Rohto Meme Moisture Tear Serum”



Forecast to Increase Dividends for 21 Consecutive Fiscal Years

- Interim dividend: 16 yen, Year-end dividend: 20 yen.
  Annual dividends are planned to increase to 36 yen.



*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.

- Any investment decisions should be made at the investor's own discretion.

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