

Consolidated Financial Results for  
the First Quarter of the Fiscal Year  
Ending March 31, 2024  
(Three Months Ended June 30, 2023)

ROHTO Pharmaceutical Co., Ltd.  
August 9, 2023

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# Highlights of the First Quarter of FY3/2024

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- Summary
  - Net sales increased significantly due to a moderate recovery in economic activity in response to the easing of behavioral restrictions in line with the downgrading of COVID-19 to a Class 5 infectious disease in Japan and product proposals tailored to customers' needs as well as signs of a recovery in inbound demand. As for profits, in addition to a significant increase in net sales, efforts to improve the cost of sales ratio and efficiently utilize SG&A expenses resulted in significant increases in all profit levels. **Net sales and profit at all levels reached record highs in the first quarter.**
  - **Japan: Significant increase in Sales and Profits**
    - Sales increased, reflecting product proposals tailored to customers' needs in addition to a moderate recovery in economic activity.
    - Sales rose above the pre-COVID-19 levels due to continued strong sales of “Melano CC” and “Hadalabo” skincare products, “Rohto V5” supplements, etc.
    - Sales of lip balm, which had declined due to the habit of wearing masks, recovered and exceeded the pre-COVID-19 levels.
    - Amato Pharmaceutical Products, Ltd. contributed to sales and profit.
  - **Overseas sales and profit also rose significantly in all segments.**
  - **Upwardly revised full-year earnings forecast.**
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# 1Q FY3/2024 Consolidated Results



(Millions of yen, rounded down)

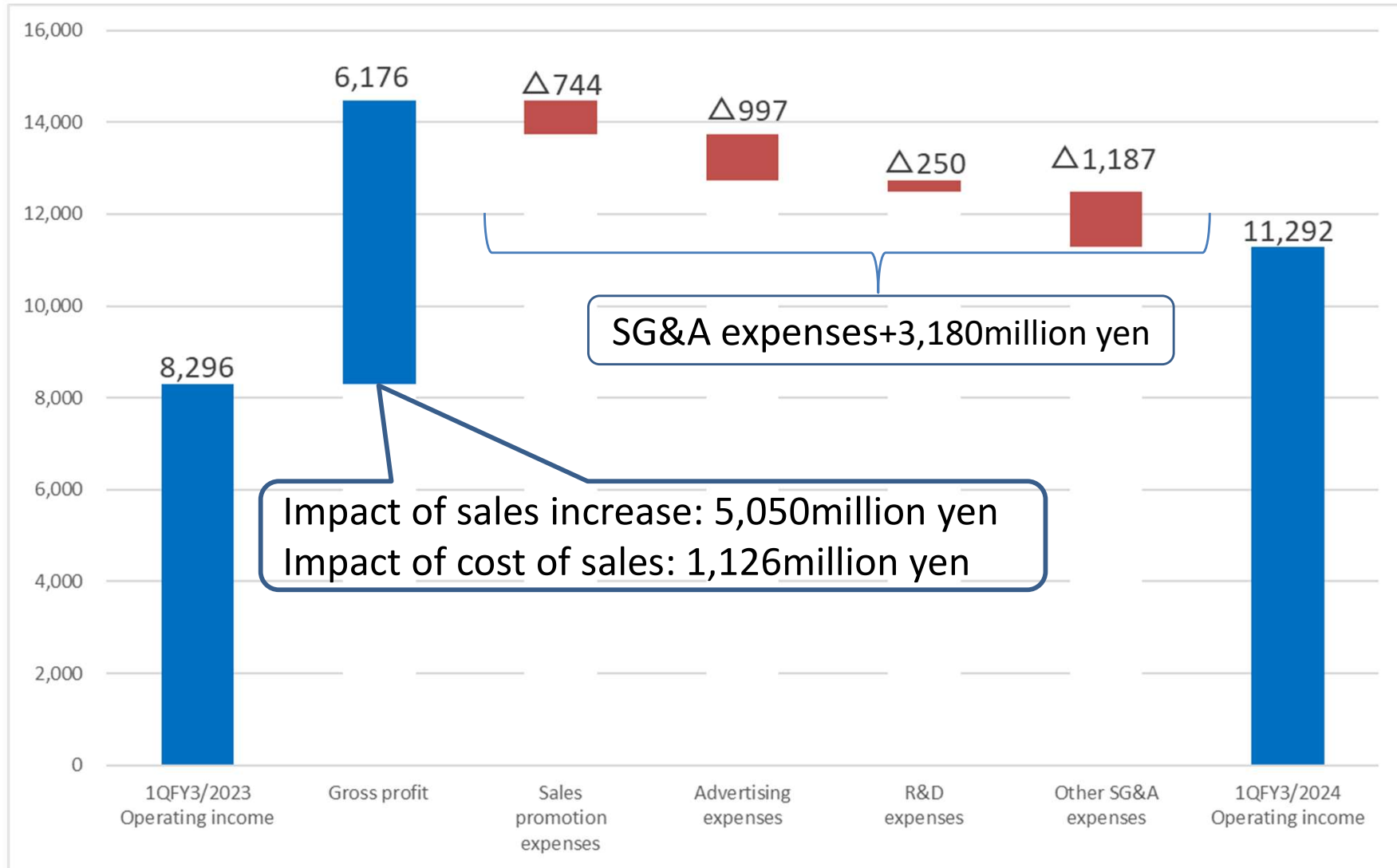
	1QFY3/2023	1QFY3/2024	Share of net sales (%)	YoY change (Amount)	YoY change (%)
Net sales	52,255	61,171	100.0	8,916	17.1
Cost of sales	22,659	25,399		2,740	12.1
Cost of sale rate	43.4	41.5			
SG&A expenses	21,299	24,479	40.0	3,180	14.9
Promotional expense	2,703	3,448	5.6	744	27.5
Advertisement	5,691	6,688	10.9	997	17.5
R&D Exp	2,239	2,490	4.1	250	11.2
Others	10,663	11,851	19.4	1,187	11.1
Operating income	8,296	11,292	18.5	2,996	36.1
Ordinary income	9,649	12,242	20.0	2,593	26.9
Profit attributable to owners of parent	6,991	9,090	14.9	2,099	30.0

※Exchange Rate: [US\$ /Yen] = 134.92

Prior year exchange rate : [US\$ /Yen] 124.44

# Composition of change in consolidated operating income (YoY)

(Millions of yen)



# 1Q FY3/2024 Sales by Reportable Segment

(Millions of yen, rounded down)

		FY6/2021		FY6/2022		FY6/2023			
		Amount	Share of net sales (%)	Amount	Share of net sales (%)	Amount	Share of net sales (%)	YoY change (Amount)	YoY change(%)
<b>Net sales</b>		42,315	100.0	52,255	100.0	61,171	100.0	8,916	17.1
<b>Reportable segment</b>	<b>Japan</b>	26,380	62.3	31,449	60.2	36,899	60.3	5,450	17.3
	<b>Asia</b>	10,844	25.6	13,394	25.6	15,890	26.0	2,495	18.6
	<b>America</b>	2,021	4.8	3,778	7.2	4,234	6.9	456	12.1
	<b>Europe</b>	2,580	6.1	3,081	5.9	3,470	5.7	388	12.6
	<b>Total</b>	41,826	98.9	51,704	98.9	60,495	98.9	8,791	17.0
<b>Others</b>		488	1.2	551	1.1	676	1.1	125	22.7
<b>Exchange rate (Yen/USD)</b>		108.99		124.44		134.92			

\* Net sales indicate sales to customers

# 1Q FY3/2024 Operating Income

(Millions of yen, rounded down)

		FY6/2021		FY6/2022		FY6/2023			
		Amount	Share of net sales (%)	Amount	Share of net sales (%)	Amount	Share of net sales (%)	YoY change (Amount)	YoY change(%)
Operating income		6,026	100.0	8,296	100.0	11,292	100.0	2,996	36.1
Reportable segment	Japan	3,931	65.2	5,188	60.2	7,323	64.8	2,134	41.1
	Asia	1,603	26.6	2,720	25.6	2,857	25.3	137	5.0
	America	106	1.8	135	7.2	319	2.8	183	135.7
	Europe	235	3.9	316	5.9	528	4.7	211	66.8
	Total	5,877		8,361		11,028		2,666	
Others		37	0.6	50	1.1	65	0.6	14	28.4
Adjustment		111	1.9	△115	—	199	1.8	315	—
Exchange rate (Yen/USD)		108.99		124.44		134.92			

## Japan: Significant Increase in Sales and Profits

Sales: ¥36,899 million, up 17.3% YoY

Operating profit: ¥7,323 million, up 41.1% YoY

- ❑ Sales increased, reflecting product proposals tailored to customers' needs as well as a recovery in consumer confidence in response to the easing of behavioral restrictions in line with the downgrading of COVID-19 to a Class 5 infectious disease in Japan.
- ❑ Sales rose above the pre-COVID-19 levels due to continued strong sales of “Melano CC” and “Hadalabo” skincare products, “Rohto V5” supplements, etc.
- ❑ Sales of lip balm, which had declined due to the habit of wearing masks, recovered and exceeded the pre-COVID-19 levels.
- ❑ Amato Pharmaceutical Products, Ltd. contributed to sales and profit.
- ❑ Profit increased significantly due to increase in sales, improvement of the cost of sales ratio, and efficient use of SG&A expenses.

# Strong Sales of Major Products



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



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



“Medical Lip” series and “Mentholatum Medicated Lip Stick” are performing strongly.

\*1 Intage SRI+ [Weekly]

Categories covered: Cosmetics (4 categories)

Period covered: From April to June 2023, quantity basis



# Inbound demand on a recovery trend.

Inbound and e-commerce sales approx. ¥540 million (up 21.1 YoY)

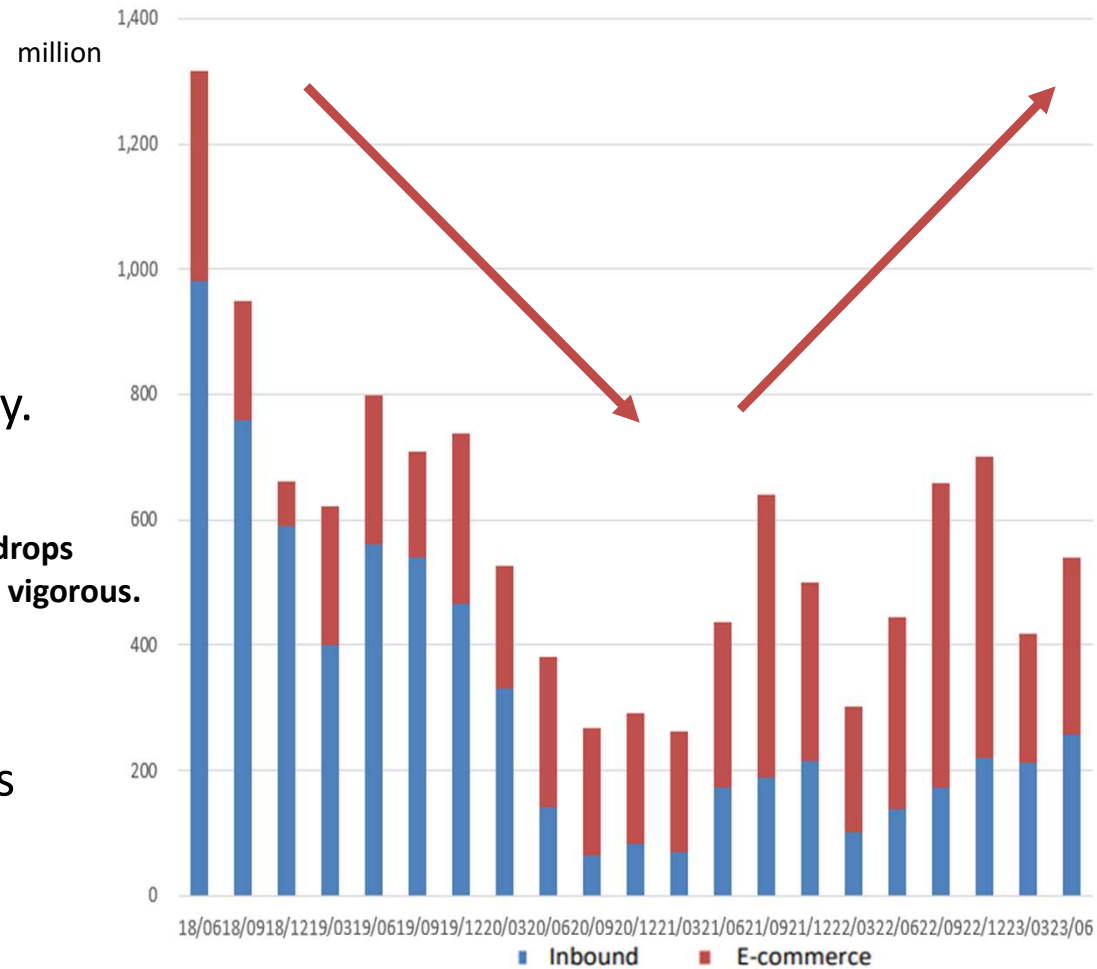


Demand for episteme STEM SCIENCE drink is growing rapidly.



Demand for eye drops remains firm and vigorous.

Highly popular Melano CC series



Sales to foreign tourists in Japan

# Asia: Significant Increase in Sales and Profits

Sales: ¥158,90 million, up 18.6% YoY

Operating profit: ¥2,857 million, up 5.0% YoY

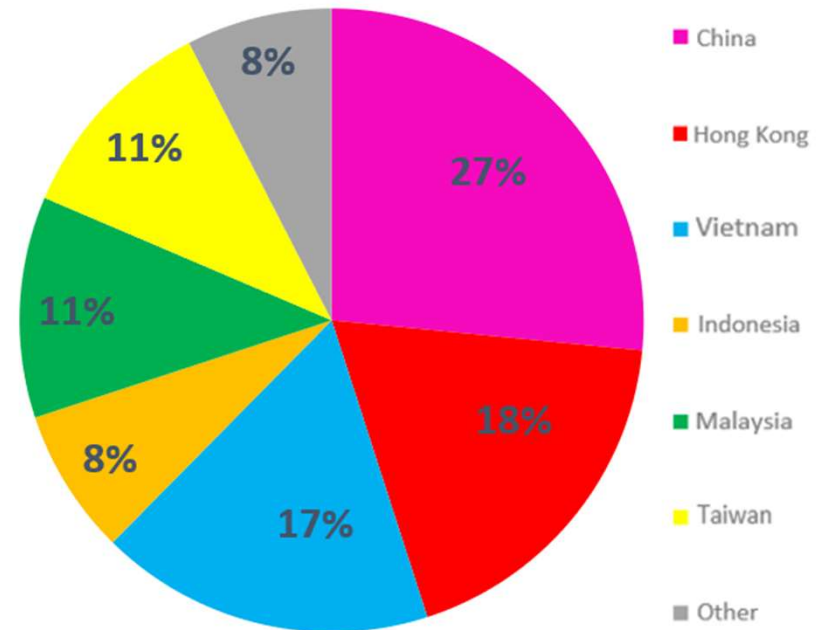
- Hong Kong and Malaysia maintained high growth.
- A recovery trend became evident in China in the aftermath of the COVID-19 pandemic.
- Asia: Strong Performance of Mainstay Brands

• Sales ratio in Asian countries

Overwhelming in-store presentation of sunscreens in drugstores in China.



“Selsun” anti-dandruff shampoo is performing well not only in Southeast Asia but also in China.



## America : Significant Increase in Sales and Profits

Sales: ¥4,234million, up 12.1% YoY

Operating profit: ¥319 million, up 135.7% YoY

- ❑ Hydrox Laboratories, which manufactures and sells medical disinfectants and other products, continued to perform strongly.
- ❑ Profit increased significantly due to efficient use of SG&A expenses, in addition to a significant increase in sales and improvement of the cost of sales ratio.

Hydrox Laboratories, a channel for medical institutions, and its products.



## Europe : Significant Increase in Sales and Profits

Sales: ¥3,470 million, up 12.6% YoY

Operating profit: ¥528 million, up 66.8% YoY

- ❑ Strong sales of topical analgesics, especially Deep Heat
- ❑ “Hadalabo Tokyo” performed well in the UK, Eastern Europe and key countries in the Middle East.
- ❑ Rohto Dry Aid, a CE-marked eye drop launched in May 2021 with which the Company is developing the eye drop market, performed well.
- ❑ Profit increased significantly owing to the impact of higher sales and efficient use of SG&A expenses.

“Hadalabo Tokyo” was named a Cosmopolitan Beauty Award winner.



Rohto Dry Aid won the Best OTC Packaging Design award.



# Revision to the FY3/2024 Forecast

# Upward Revision of the Full-Year Forecast.

□ Both sales and profit are expected to reach record highs.

(Millions of yen, rounded down)

	FY3/2022		FY3/2023		FY3/2024 Revised forecast				FY3/2024 Initial Budget	
	Amount	Share of net sales (%)	Amount	Share of net sales (%)	Amount	Share of net sales (%)	YoY change (Amount)	YoY change(%)	Amount	Change from Initial Budget (Amount)
Net sales	199,646	100.0	238,664	100.0	263,000	100.0	24,335	10.2	259,000	4,000
Operating income	29,015	14.7	33,959	14.2	37,000	14.1	3,040	9.0	35,000	2,000
Ordinary income	28,750	14.6	35,568	14.9	38,000	14.5	2,431	6.8	36,000	2,000
Profit attributable to owners of parent	21,127	10.5	26,377	11.1	27,500	10.5	1,122	4.3	26,500	1,000
Net income pershare ( yen )	92.61		115.62		120.54				116.16	

Exchange rate (Yen/USD)      111.55                      134.19                      130.00



# FY3/2024 Sales Forecast by Reportable Segment

- Upward revision of the figures for Japan and Asia, reflecting only the increase compared with the initial forecast for the first quarter

(Millions of yen, rounded down)

		FY3/2022		FY3/2023		FY3/2024 Revised forecast				FY3/2024 Initial Budget	
		Amount	Share of net sales (%)	Amount	Share of net sales (%)	Amount	Share of net sales (%)	YoY change (Amount)	YoY change(%)	Amount	Change from Initial Budget (Amount)
Net sales		199,646	100.0	238,664	100.0	263,000	100.0	24,335	10.2	259,000	4,000
Reportable segment	Japan	121,417	60.8	136,668	57.3	152,500	58.0	15,831	11.6	149,000	3,500
	Asia	55,988	28.0	70,773	29.7	77,600	29.5	6,826	9.7	77,100	500
	America	10,037	5.0	16,655	7.0	17,500	6.7	844	5.1	17,500	0
	Europe	10,297	5.2	12,231	5.1	12,900	4.9	668	5.5	12,900	0
	Total	197,740		236,327		260,500		24,172		256,500	
Others		1,906	1.0	2,337	1.0	2,500	1.0	162	7.0	2,500	0
Exchange rate (Yen/USD)		111.55		134.19		130.00					

\* Net sales indicate sales to customers

## FY3/2024 Operating Income Forecast by Reportable Segment

- Upward revision of the figures for Japan and Asia, reflecting only the increase compared with the initial forecast for the first quarter

(Millions of yen, rounded down)

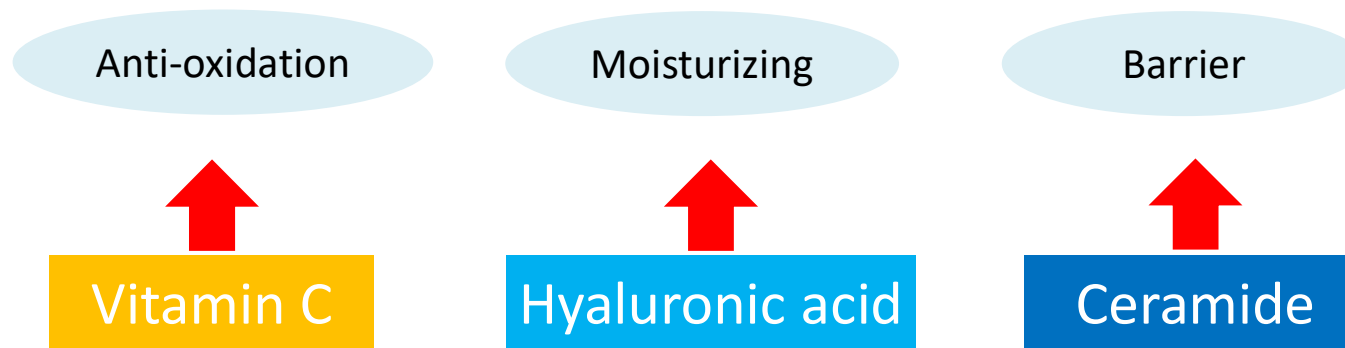
	FY3/2022		FY3/2023		FY3/2024 Revised forecast				FY3/2024 Initial Budget		
	Amount	Share of net sales (%)	Amount	Share of net sales (%)	Amount	Share of net sales (%)	YoY change (Amount)	YoY change (%)	Amount	Change from Initial Budget (Amount)	
Operating income	29,015	100.0	33,959	100.0	37,000	100.0	3,040	9.0	35,000	2,000	
Reportable segment	Japan	19,213	66.2	21,150	62.3	22,700	61.4	1,549	7.3	20,800	1,900
	Asia	8,365	28.8	10,392	30.6	11,500	31.1	1,107	10.7	11,400	100
	America	216	0.8	724	2.1	900	2.4	175	24.3	900	0
	Europe	563	1.9	978	2.9	1,000	2.7	21	2.2	1,000	0
	Total	28,359		33,245		36,100		2,855		34,100	
Others	171	0.6	204	0.6	200	0.5	△ 5	△ 2.2	200	0	
Adjustment	485	1.7	509	1.5	700	1.9	190	37.3	700	0	
Exchange rate (Yen/USD)	111.55		134.19		130.00						



# ROHTO Skin Science Kicks Off!

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- “True beauty lies beyond health.” ROHTO’s belief in skin research
- ROHTO’s strengths: Evidence-based functional cosmetics
- 3 strategic ingredients:



- Establish 3 new skincare product brands
  - Aim to become No. 1 skincare brand
- (Selected by customers because they are products made by ROHTO.)

# New Skincare Brand



This revolutionary skincare brand addresses the root causes\*<sup>1</sup> of signs of aging\*<sup>2</sup>, focusing on skin conditions that worsen with age.

The world's first\*<sup>3</sup> cosmetic products containing “Blue Ceramide®,” Rohto’s proprietary functional ingredient.



•BLOOMIO Deep Boost Serum  
 R Rohto BM Serum



•BLOOMIO Deep Moist Lotion  
 R Rohto BM Lotion



•BLOOMIO Moist Repair Cream  
 R Rohto BM Cream

To be launched on Sunday, September 10

\*1: Dryness and damage caused by ultraviolet rays with the passage of time

\*2: Lack of firmness, glow, and clarity

\*3: Rohto will be the first company in the world to offer cosmetic products containing nanosized fermented Ceramide Plus.

Blue Ceramide: Dihydroxylignoceroyl phytosphingosine, ceramide 6II, sodium guaiazulene sulfonate (All are moisturizing ingredients.)

# New Skincare Brands

## Calamee®

Over 40%\*<sup>1</sup> of Generation Z are concerned about shiny and oily skin! Skincare brand containing Calamine Powder\*<sup>2</sup>



Calamine Nosebum Lotion



Calamine Nosebum Gel  
 To be launched on Sunday,  
 August 13

\*1: Source: Conducted by Macromill in May 2023  
 Generation Z women taking care of their skin N=149  
 \*2: Calamine (adsorbent)

Dermacept  
 RX

ROHTO Online Store only

Launched on  
 Thursday, May 11

•Functional cosmetics containing hydroquinone\*<sup>1</sup> and azelaic acid\*<sup>2</sup> used at medical institutions. “ROHTO Medical Care Method,” a unique program based on the approach of medical institutions, that is, “interview → instruction on usage”



Dermacept RX  
 AZA Serum



Dermacept RX  
 HQ Serum



Dermacept RX  
 VCE Serum



Dermacept RX  
 Moist Milk



Dermacept RX  
 Barrier UV

\*1 Antioxidant formulation, \*2 Moisturizing ingredient for skin conditioning

Dermacept  
 RX

Medical institutions only

Launched on  
 Thursday, May 11

Cosmetics containing stem cell culture supernatant\*<sup>3</sup> based on insight from research into regenerative medicine



Dermacept RX Stem  
 Advance Serum



Dermacept RX Stem  
 Advance Mask

\*3 Hydrolyzed stem cell naturalizing culture medium (moisturizing ingredient)

# Focusing on Eye Care

□ “Rohto C Cube PREMIUM ICE SPARK”



Out-of-home (OOH) advertising featuring NIJISANJI virtual characters is creating a buzz.



□ “Rohto Zi” STREET FIGHTER II



Ryu

Guile

Chun Li

Dhalsim



□ Featuring SixTONES as the face of eye drop products



# Recovery of the Tint Lip Balm Market

- Recovery trend in the tint lip balm market since the end of January when the Japanese government decided to downgrade COVID-19 to a Class 5 infectious disease.

Left: “Mentholatum FLASH TINT LIP”

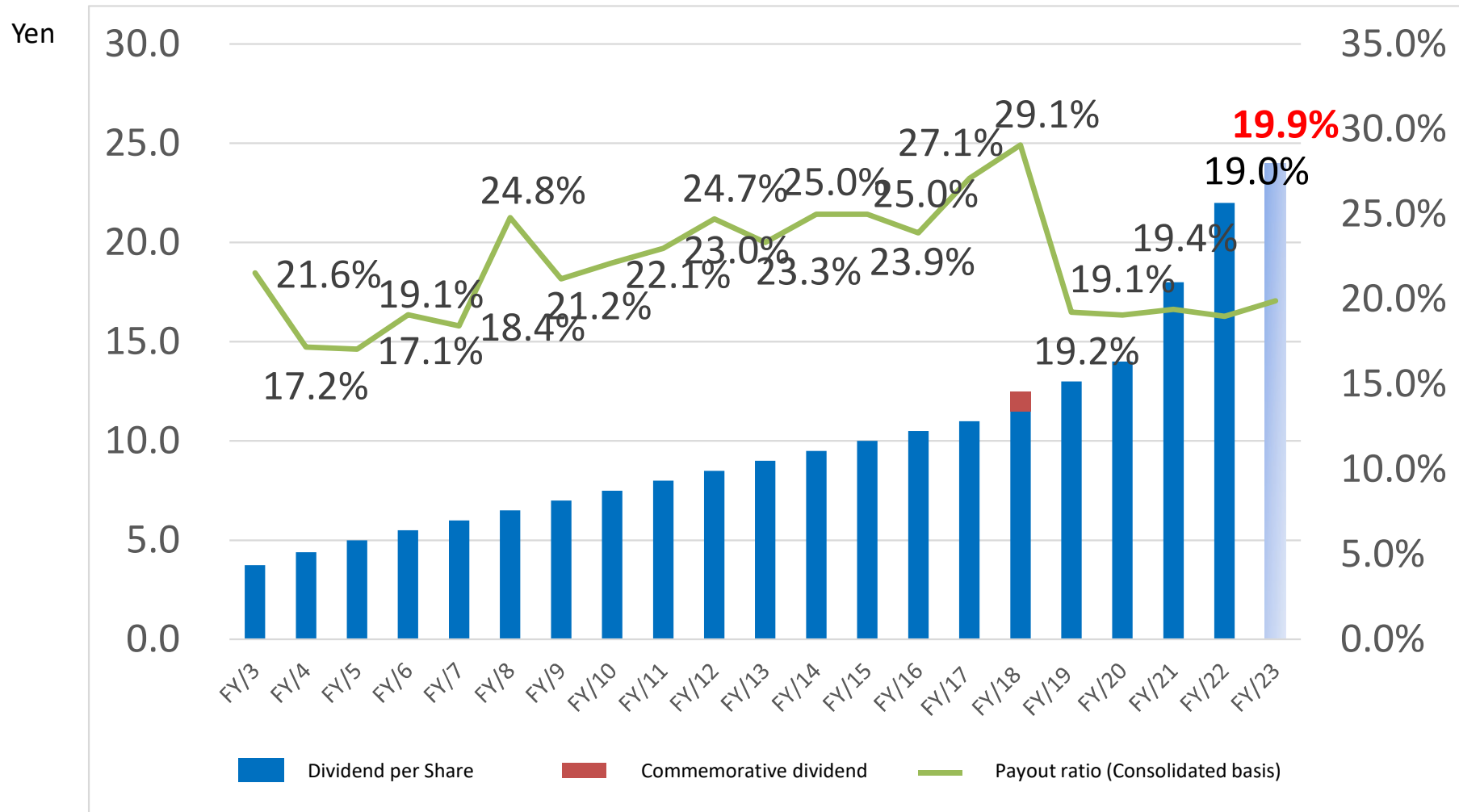
Right: “Mentholatum Repair ONE Scrub Lip Balm”



Launched on July 19

# Forecast the 20th consecutive year dividend increase

□ Forecast annual dividend of 24 yen consisting of interim dividend of 12 yen and year-end dividend of 12 yen.



\* Figures for FY/22 and earlier are converted to the post-stock split basis.

- **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.**
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