Moving the Heart

ROHTO

ROHTO Well-being Report

Integrated Report 2025

Rohto Pharmaceutical Co., Ltd.
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Issued in October 2025
Printed in Japan

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 value.

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.

Chapter 1, Article 2 of the Articles of Association

Our purpose

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.

Since our founding, “health” has been Rohto’s core value and we have provided many people with accessible “health” through our over-the-counter (OTC) drug products and skincare products. By extending the healthy life expectancy for each consumer and improving their quality of life, the economic activities of society as a whole will be revitalized. Increasing social security costs will be curbed, and a sustainable society of healthy longevity will be realized.

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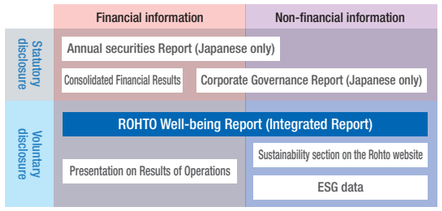
Editorial Policy

We are issuing Rohto Well-being Report 2025 in order to help a deeper understanding of our initiatives to increase Rohto’s medium- to long-term corporate value. It includes an overview of Rohto, our medium- to long-term growth strategy centered on Well-being, and ESG information. We would be grateful if this report could gain the understanding and sympathy of all our stakeholders, in particular shareholders and investors, and serve as a catalyst for dialogue. Any information concerning finances, research and development, or other matters that is not included in this report can be found on our website.
https://www.rohto.co.jp

Disclosure information



Reporting Period

From April 1, 2024 to March 31, 2025 (information other than this period is also included, If it is appropriate to indicate the past history and data, or recent cases.)

Please Note

The financial results forecast and other forward-looking statements in this report include forecasts based on the judgment made by management using data that was readily available as of the date of the creation of this report. Therefore, actual results may greatly differ from the forecasts due to various factors that may affect business performance.

Message from the President

Announcing the Medium- to Long-Term Growth Strategy 2025-2035, which places importance on continuity while also promoting proactive reform

Hidetoshi Segi
President and Representative Director

Focusing on social health to improve corporate value

I am Hidetoshi Segi, the newly appointed President and Representative Director of Rohto. As successor to the former President Masashi Sugimoto, I am humbled by our 126 years of history and the many customers and stakeholders we have with us.

In our Vision 2030, which has been promoted since 2019 under former President Sugimoto, we set out "Connect for Well-being." "Well-being" is understood differently depending on time periods, age groups, and environments, and I believe that it will continue to evolve. The "Connect for Well-being" that we have set out includes the willingness to grow together as one while contributing to the well-being of society and consumers by connecting businesses, organizations, and technologies. Not only does this have the power to enable dramatic growth, but it also creates efficiency, which is a concept that Rohto has always valued.

In 2024, we announced Rohto's corporate slogan, "Moving the Heart." If we do not move the hearts of our customers, we will not be able to bring about behavioral change. To move the hearts of customers, we must first move our own hearts and the hearts of the people we work with. We must consider the purpose of developing technology, making the products we make, and talking about them with passion. The ultimate goal is to move the hearts of many people, and I believe this is where Rohto's value lies. The slogan "Moving the Heart" conveys a message both inside and outside the Company about what is important to Rohto and what we value, and it represents the very mission of our employees.

Something that I value is continuity. How long can we sustain our products and brands, how long can this sustain our health and life, how can we preserve the environment, and how can we ensure the sustainability of the Earth? These are the pillars that I have held dear in my heart, both in my work and in my life. I believe that it is our duty as people living in the present to lead the way to an ideal future. Continuity does not simply mean continuing on in the same way as we always have. It means flexibly changing in accordance with the shifting values and needs of the times, and continuing to be a presence that is needed by the world. Now that I have assumed the position of President, I intend to manage the company with a focus on this continuity in order to ensure that the value of Rohto's existence continues into the future.

On the other hand, although the Company's business performance has been growing steadily, there is no guarantee that the Company's future will continue on the same path. A change in top management is a good opportunity for transformation within the Company. With the aim of becoming an organization that continues to grow and evolve, I would like to review the current management and business structures and further strengthen our foundations, thereby leading to improved corporate value. Moreover, in order to improve corporate value, I would like to lead the Company with an emphasis on social health in addition to consumer health. Our understanding of social health is not just about people being happy as members of society, but also about society itself being healthy. Health has a significant impact on many social issues. I am confident that enhancing value toward social health will lead to improved corporate value.

Consumer health is about how to solve problems faced by consumers, while I believe that social health is about what we leave behind for the future. This approach leads to thinking about sustainability; about what we can leave behind for the Earth, society, companies, and customers. That is what underlies Rohto's purpose and slogan, and it is also the foundation of my management philosophy.

Thinking about work from a scientific perspective is our greatest strength

Since joining the Company in 1997, I have been involved in product planning, international business, and business development, and I served as General Manager of the Corporate Planning Division from 2011 to March 2025, and as Chief Strategy Officer (CSO) since 2022. Having seen Rohto from both a frontline perspective and a bird's-eye perspective, I believe that Rohto's greatest strength lies in its willingness to take on challenges that no one else has. Whether it's developing new products, launching new businesses, or exploring new business domains, all of our employees have a spirit of taking on challenges that does not rely on past examples.

Another one of our strengths is that we value science. Science is essential for the development and commencement of new things. For example, the high-performance cosmetics we develop are created as a result of utilizing the research methods and technological capabilities developed through our work on eye drops, gastrointestinal medicines, and dermal medicines, and this represents the very essence of the power of the Company's science. It is precisely because we are engaged in a

wide range of businesses that we are able to accumulate a wide range of technologies, which allow us to create and offer technologies and solutions that differentiate us from other companies.

Science is not limited to research and technological development, but also exists in marketing and management strategies. Science is something that cannot be rewritten. To put it qualitatively, it is something that cannot be distorted by history or embellished, and that is precisely why people can empathize with it regardless of their personal preferences. Thinking about things from a scientific perspective makes it easier to set targets and bring the organization together. It also allows employees to concretely present their dreams for the future.

Recently, the word "evidence" has become widely used in business. Evidence is essential as a basis for things, but in order to judge what is actually correct, it is necessary to scientifically piece together evidence. The science that Rohto values can be described as an approach for thinking scientifically.

Presenting a "growth strategy" that shares the future vision of the Rohto Group

This year, we announced the "Medium- to Long-Term Growth Strategy 2025-2035." This is the first time that the Company has publicly announced a medium- to long-term growth strategy, and I would like to emphasize that it is not a so-called "medium-term management plan," but rather a "growth strategy."

The figures presented, such as "net sales of 415.0 billion yen and operating income of 54.0 billion yen for fiscal 2030," are currently estimated figures, not targets. Based on this "growth strategy," we are committed to making further updates.

To date, we have placed emphasis on setting clear, must-achieve targets for each year and steadily accumulating results towards their achievement, out of concern that the announcement of medium- to long-term plan figures would actually constrain the Company to those figures and hinder further growth.

However, we have been told that it is becoming difficult to see where Rohto is heading in the current chaotic economic environment, partly due to the diversity of our business fields. We took these comments seriously and announced our "growth strategy" in order to share the future with everyone.

Further growth in core businesses

As mentioned at the beginning, one of the major initiatives in our growth strategy is the transformation of our business structure. In our Business Area Vision 2030, we established six domains: OTC drugs, skincare, functional foods, the ophthalmology area, regenerative medicine, and contract development and manufacturing organization (CDMO). We have expanded business in these domains. We have strategically reviewed our business domains, and going forward, we will set forth and promote policies focusing on four areas.

We expect that needs in the eye care business will continue to increase, with reports indicating that the myopia population will exceed 5 billion by 2050. In Japan, the Company is in a leading position, and in order to continue leading the market, we will work to expand into the switched-OTC drug market and increase the number of new users by enhancing literacy. Overseas, we will take measures to increase our market share, mainly in Asia, and further expand the EU dry eye market through Mono chem-pharm Produkte GmbH.

In the skincare business, we will introduce high-value-added products based on Rohto Skin Science, and strengthen the hair care business by applying the research knowledge and technology of the Rohto Group. Skincare is a highly competitive field, especially in Japan. On the other hand, there are developing countries overseas with high potential demand, and we will actively expand into those countries. The Company's strength in the newly entered hair care business lies in its ability to apply its expertise in dermal medicines and regenerative medicine. By introducing products that utilize new technologies, we aim to develop brands that follow in the footsteps of HADALABO and MELANO CC. Outside of Japan, Selsun and 50 Megumi have already established strong positions in the hair care market, and we will create new markets by combining the technologies and marketing know-how of the Group.

In the oral medicine/health food business, we will introduce functional supplements based on the Phyto-Science Concept, and aim to maximize sales through synergies between Eu Yan Sang International Ltd. and The Mentholatum Company, Inc. The core businesses of Eu Yan Sang International Ltd. are supplements and traditional Chinese medicines. Supplements in particular have high profit margins, so we plan to strengthen this product line and develop it into a third pillar by further penetrating Eu Yan Sang International Ltd.'s main markets in Hong Kong, Singapore, and Malaysia, and by expanding into new markets by utilizing the sales channels of The Mentholatum Company, Inc. We are currently in the post-merger integration process with Eu Yan Sang International Ltd., and are working to integrate value chains and product specifications. We expect to see positive effects in the next one to two years.

Going forward, the keyword in the oral medicine/health food business will be "phyto-science." Phyto-science is the approach of maximizing the power of natural materials and plants, and using highly functional and safe ingredients extracted from said materials and plants to develop new materials and functions that other companies do not possess. Traditional Chinese medicine is an easy-to-understand example, but phyto-science has a wide range of potential applications, not only in food products but also in cosmetics and, in the future, pharmaceuticals. I believe that this is a field with great potential that requires us to address without being confined by the existing structure of our business.

In April of this year, we announced our new business strategy, "Phyto-Science Concept." In order to accelerate our process of doing research and turning it into a commercial business in collaboration with internal and external partners, we established the internal Phyto-Science Research Institute as a core function, and in April 2025, we opened Japan's first algae farm, Kumejima FARMO, in Kumejima Town, Okinawa Prefecture. Our efforts in phyto-science have just begun, but I hope to see it used for the Company's future growth and the development of business domains.

As mentioned in last year's ROHTO Well-being Report 2024, we are taking on the challenge of developing products and services for companion animals. When considering new science for human self-care, it is very efficient to also consider its application to companion animals such as dogs and cats, and we will continue to thoroughly implement this going forward.

Integrating professional care into the medical business with CDMO at its core

The Company has integrated three domains, namely the ophthalmology area, regenerative medicine and CDMO, into the medical business. These three domains are professional care businesses that differ from other self-care domains. We aim to accelerate growth by integrating these businesses, which are highly interrelated and create complex synergies. In addition, the development span is significantly longer than that in the self-care domain. For example, the regenerative medical products we are currently working on will not be approved until 2030 or later. I felt that a change in our structure was necessary in order to properly capture business growth.

The development of ethical drugs requires technological capabilities that enable stable, high-quality

production, and the role played by CDMOs, which assume quality control and manufacturing control from the development stage, is expanding. The Company has technological capabilities gained through many years of involvement in the development and production of pharmaceuticals. Rather than focusing on integrating everything from development to production in-house, we collaborate with other companies, startups, and academia, bringing together the strengths of each party to efficiently and innovatively promote business and enhance our realization capabilities. With these partners, we will strengthen the foundation of the medical business and aim to generate profits through contract development and manufacturing, in-house sales, and out-licensing centered on chemical, bio, and cell technologies.

M&A that can generate synergies

We will also actively consider M&A as part of our growth strategy. The acquisition of Eu Yan Sang International Ltd. as a subsidiary last year was an opportunity to maximize the synergy effects between Eu Yan Sang International Ltd. and the Company as we formulated our growth strategy. What really struck me when I spoke with the company's founder was that he said that the most important thing to him is "integrity." I felt that this "integrity" was very similar to our own way of thinking, and it made me believe that there would be ample opportunities for future synergies.

Further growth of the food business will also lead to the realization of Rohto's goal of becoming a "pharmaceutical company that does not rely on medicine." By covering everything from prevention and pre-symptomatic states to minor diseases, we can expand the scope of our business as a company that supports customers' daily self-care. In the Asian consumer market, we expect to be able to provide a unique health business by adding oral medicines and health food products to skin care and eye care. In addition, Eu Yan Sang International Ltd. has many direct sales outlets and communicates directly with customers. These are channels that Rohto did not have before, and I believe that customer data will become a new strength.

Another reason for welcoming Eu Yan Sang International Ltd. into the Group is that their development and manufacturing of traditional Chinese medicines is based on the aforementioned phyto-science.

I believe that we have an opportunity to expand Eu Yan Sang International Ltd.'s products and brand worldwide by partnering with Mitsui & Co. and utilizing the global network of the Mitsui & Co. Group. I am confident that these synergies will become possible by combining our respective strengths, and that we will realize our management vision, "Connect for Well-being."

In addition, I believe that the acquisition of Mono chem-pharm Produkte GmbH as a subsidiary presents a major opportunity to broaden the scope of our business. Having a base for the expansion of eye care in Europe, which is an area we have been pushing into for some time, will mark a turning point for the Rohto Group.

By leveraging our initiatives with Eu Yan Sang International Ltd. and Mono chem-pharm Produkte GmbH, we will continue to invest in projects that generate synergies with existing categories as well as in fields that we have not yet entered.

Deepening dialogue with stakeholders and continuing to take on challenges together

I believe that for a company to grow, it is necessary for not only the organization but also each and every one of its employees to constantly learn, grow, and change. When these individual growths are combined as one, learning deepens even further and ultimately results in the strength of the company.

In fact, our employees are highly motivated to improve themselves, and their inquisitiveness and curiosity bring them into contact with new knowledge that transcends the scope of their work and allows them to see things from new perspectives. I believe that the Company is an organization that is always growing, with a corporate culture and climate that make the aforementioned possible.

This year, we announced the Medium- to Long-Term Growth Strategy and shared a time frame for growth. However, the vision that we set out in this growth strategy is not our final goal, and we need to make efforts to move up to the next level and the level after that. To that end, I would like to work as one with all employees to move forward with determination.

Since our founding, we have placed great importance on "being a trustworthy company," and have developed our business with a focus on the quality of our products and services that provide peace of mind to customers. We will continue to work together as a company without compromising on quality, which is the source of customers' trust in us. Moreover, in a rapidly changing society, we will continue to earn the trust of our stakeholders by strengthening internal controls and risk management, and realizing honest and transparent governance.

Companies have a social responsibility to take the lead in addressing social issues. We cherish working together with stakeholders to build the future, and we pledge to strive to improve corporate value by increasing the transparency of information and deepening dialogue.

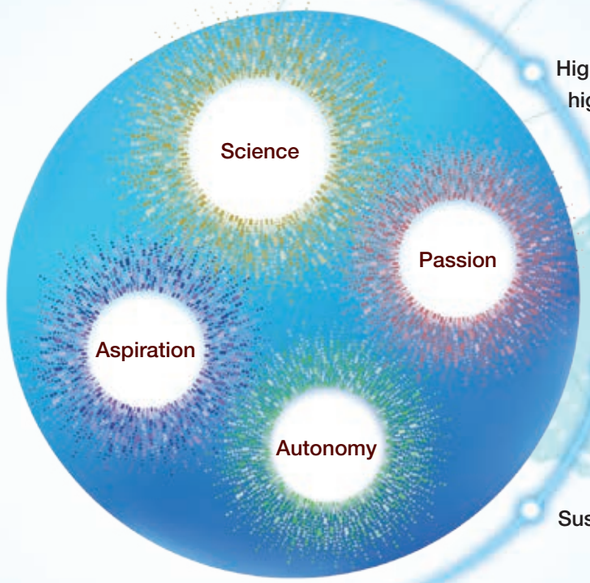
Akie Iriyama
Chairman of the Nomination Committee

Rohto's Nomination Committee unanimously recommended Hidetoshi Segi as the Company's President and Representative Director . Mr. Segi has been active in a wide range of fields, including product planning and international business at the Company. In particular, in recent years, he has been playing a central role in strategic leadership as the head of corporate planning. We have judged that his high level of experience in a wide range of areas related to Rohto's overall management will be an extremely important asset in leading the Company going forward. In addition, Mr. Segi has a deep understanding of the medical field and science, and we highly value his knowledge and experience in making important decisions, which will help Rohto further enhance its competitiveness as a science-focused company going forward.

Above all, the most decisive factor was Mr. Segi's extremely sincere, cheerful and positive personality. In the rapidly changing times ahead, all companies will face a variety of challenges, and it is precisely in times like these that the integrity of top management becomes even more important. It is because of his integrity that Mr. Segi is always able to interact with customers, local communities, employees, and shareholders with sincerity, which ultimately leads to positive results for the Company. We are looking forward to seeing such a President, and have therefore decided that Mr. Segi is the most suitable person to be the new President of the Company.

Rohto's Well-being Management

The "well-being management" that Rohto pursues is founded on our corporate philosophy and the mental and physical health of our members. We aim to promote the value of well-being both within the Company and beyond. We foster meaningful connections between people, co-create with colleagues within and outside the Company, and cultivate well-being by continuously rising to new challenges. In this way, we endeavor to promote well-being in all aspects of life—for consumers, future generations, business partners, local communities, countries, the world, and the natural environment—thus contributing to the formation of a sustainable society with well-being.



High-quality, high-value-added products

Physical and mental health and beauty

Health literacy

Sustainable society

Consumers and future generations

Rohto's employees and their families

Business partners

Shareholders and investors

Environment

Countries and local communities

Spreading the value of well-being

From individual well-being to organizational well-being and social well-being

Management from a long-term perspective

For people to enjoy fulfilled and happy lives, the Company assumes the great responsibility of contributing continuously to their mental and physical health, always endeavoring to operate its business from a long-term perspective and generate value, and thus establishing a strong and stable business foundation

Public organ of society

Rooted in a culture in which aspiring, passionate members challenge the unknown based on science, we will work together with those around us to address social issues and share the resulting benefits as a "public organ of society."

The autonomy and self-reliance of each Group company will lead to enhanced resilience and greater sustainability of well-being management.

Autonomous growth

encompasses all processes from development to sales, in each region, while strengthening collaboration across the Group. By responding to the needs of local communities and society, and maintaining a strong commitment to quality, we will deliver health and well-being to people around the world. This will foster autonomous growth of human resources and Group companies, creating a ripple effect of well-being.

Mutual growth

Our individuals' autonomous growth leads to their well-being, which, in turn, helps the organization grow, creating a ripple-effect extending to their families and local communities as a beneficial influence on society. The health and well-being of both individuals and the organization create new value and positively impact local communities and the world. Through this approach,

Value Creation Process

Delivering health and realizing a sustainable society with well-being

Materiality: Realization of well-being through business P.25~38

Sources of Value Creation

Input

- Human capital
- Manufacturing capital
- Intellectual capital
- Financial capital
- Social capital
- Natural capital

Social issues
Social changes

Business activities

Strengths
Competitive advantage

Brand strength | High quality | Global | Manufacturing productivities | Customer perspective | Technological & R&D capabilities | Product development capabilities

Business domain

Eye Care P.25~ | Skincare P.28~ | Internal Medicines and Food P.32~ | Medical P.35~

Human resources

Materiality: Maximizing human capital P.42

Co-creation
partnership

Innovation

Output

Outcome

Consumers and future generations	Bringing research results and science to life and realizing beauty, health, and well-being
Rohto's employees and their families	Motivation and autonomous career development to contribute to society based on mental and physical health and well-being
Business partners	Mutual development through sustainable growth and co-creation of value
Shareholders and investors	Sustainable Improvement of corporate value and realization of stable shareholder returns
Environment	Realizing a sustainable global environment for future generations
Countries and local communities	Realizing a society with well-being and contributing to sustainably revitalizing local communities

Shared value for society

Impact

Contributing to the realization of a sustainable Well-being society

A society where people all over the world can live long lives, enjoying healthy and happy days filled with smiles.

- Physical and mental well-being
- Extending the time to experience happiness
- Extending healthy life expectancy
- Beauty based on health
- Health not dependent on medication
- Circular society
- "Joy of seeing"

As aspiration to contribute to society
Gratitude for society and all things

Culture of taking unprecedented challenges
The Underlying DNA

ROHTO's Seven Pledges
Corporate governance

Materiality: Further strengthening of business foundations P.69~

Materiality: Contributing to a sustainable global environment P.57~

Materiality: Coexistence with society P.63~

Sustainable Corporate Growth

Stakeholder Engagement
"Connect for Well-being"

Promises to and cooperation with stakeholders

In order to realize a sustainable "society with well-being," we will maximize synergies through dialogue, cooperation and co-creation with a variety of stakeholders, and create sustainable growth and new value for the future.

Environment

Realizing a sustainable global environment for future generations

It is our important duty to protect the global environment for future generations. Based on this belief, the Company develops comprehensive environmental preservation activities. In cooperation with local communities and external stakeholders, we will proactively work to resolve a wide range of environmental issues, ranging from countermeasures against environmental contamination at a local level to global issues such as climate change and resource circulation. Specifically, we will promote the reduction of greenhouse gas emissions, conservation of biodiversity, the effective use of resources, and the building of a recycling-based society (circular economy). Through these initiatives, we aim to achieve sustainable prosperity for humankind and extend healthy life expectancy, and contribute to the realization of a rich and healthy global environment for present and future generations.

Sustainable Global Environment P.57-62

Countries and local communities

Realizing a society with well-being and contributing to sustainably revitalizing local communities

While paying taxes appropriately and fulfilling our social responsibilities through our business activities, we also provide products and services that contribute to improving the health of people around the world. Working closely with local communities, we will also tackle health issues together, and promote support for future generations and activities to increase health awareness. Through collaboration with diverse stakeholders, including regional governments, we will contribute to building a sustainable society in which everyone can achieve well-being in mind and body, and to revitalizing regional economies.

17 Regional Cooperation Agreements (as of March 2025)

We have concluded cooperation agreements centering on health and regional revitalization, mainly in the regions where the Company's business bases are located. We are working with local governments and local stakeholders to contribute to the well-being of local communities.

New in 2024

- **Iga City and Rohto Pharmaceutical concluded comprehensive cooperation agreement**
  In cooperation with Iga City, Mie Prefecture, where the Company's mother plant is located, the Company aims to realize a society with well-being in which each and every person lives to the fullest.
- **Kizugawa City of Kyoto Prefecture, The Graduate School of Project Design, and Rohto Pharmaceutical concluded industry-government-academia cooperation agreement for promoting regional development**
  Through cooperation among "ROHTO Research Village Kyoto," the Company's research base, the local government and the university, we contribute to the revitalization of local communities.

Rohto's employees and their families

Motivation and autonomous career development to contribute to society based on mental and physical health and well-being

Through well-being management with the participation of all employees, we will create and grow businesses that "help create a better world" and "contribute to society." We will reward our employees and their families appropriately through remuneration, benefits, and training by creating jobs based on sustainable corporate growth. We will also support the mental and physical health and well-being of our employees and their families through the promotion of health and productivity management. Through opportunities to take on challenges and a sense of personal growth, we provide rewarding work and a place for self-realization and aim to achieve the mutual growth of individuals and the Company.

Equal relationships and internal communication

- All employees submit a "My Vision Sheet" once a year, which details the positions they wishes to fulfill as well as the associated career plan. All the sheets submitted are checked by senior management.
- An open, one-floor office with no president's room and partitions have been adopted (since around 1995).

Human resource development P.43-44
Health and productivity management P.45-46

Dialogue between labor and management and gratitude to employees and their families

- **Sound labor-management consultations**
  Since the establishment of the Rohto Pharmaceutical Labor Union in 1947, the Company has worked to create systems and foster a workplace culture through regular dialogue and consultations between labor and management. In 2023, the Company and the union jointly established the Well-being Workstyles Study Committee, and are accelerating the practice of better working styles.
- **Birthday party and family meeting**
  We hold a company-wide birthday party every month and an annual family meeting, which serve as an opportunity to express our gratitude to employees and their families.

Consumers and future generations

Bringing research results and science to life and realizing beauty, health, and well-being

We support the beauty and health of consumers through our products and services. Through product development to improve the quality of daily life and initiatives to address conditions ranging from pre-symptomatic states to illness, we will support well-being of people, accommodate unmet medical needs, and contribute to prosperous and healthy lives. We treasure the voices of our customers and opportunities to interact with them, and devote ourselves to research, as well as development and improvement of our products. Through offering high-quality products and services at fair prices and by sharing knowledge and engaging in health promotion activities, we will support mental and physical health of present and future generations.

Commitment to dialogue with customers

- **Communication Call (customer service center)**
  Our dedicated department has long been engaged in customer communication. Treasuring voices of customers, we have been reflecting their feedback in our product improvements, etc.
- **"Happy Surprise" testimonials**
  "Happy Surprise" testimonials are positive responses from customers, such as letters of appreciation. In fiscal 2024, we received 3,077 testimonials, which were utilized in product improvements and new product development.

Realization of a society with well-being through business P.25-38

Creating a venue for interactive communication with customers

- **Customer Community "COCO ROHTO PARK"**
  The Company places importance on interactive communication and exchanges with customers, including the provision of healthcare information and the holding of "COCO ROHTO festival," a physical event for the interaction of customers and employees.

COCO ROHTO PARK (Japanese only)

Business partners (suppliers/distributors)

Mutual development in terms of both economic and social values through sustainable growth and value co-creation

Through promoting open innovation and generating synergies based on respective strengths, we create new value that goes beyond the boundaries of organizations and industries. Working together to address regional and social issues, we will enhance our competitiveness and market presence, and build cooperative relationships in which we grow and contribute together to the realization of a sustainable society.

Business partners (suppliers/distributors)

By expanding the scale of transactions and engaging in fair trade, we will contribute to increased sales and job creation of our business partners, and by collaborating in the fulfillment of social responsibilities, we will achieve sustainability throughout the supply chain and improvement in corporate value.

- **"Women's Health Lab," a co-creation program to address social issues**
  In order to support the health of women and future generations, the Company has been offering an annual co-creation program for female leaders of drugstores, for them to learn, think and act together, beyond the boundaries of suppliers and manufacturers.

New in 2024

- **Machikado Health Lab. (Tohoku University Hospital, AEON TOHOKU and Rohto Pharmaceutical)**
  We are working to create a system that raises eye and overall health awareness and promotes health-conscious behaviors in daily life.

Machikado Health Lab.

Supplier CSR Assessment P.62

Universities, research institutions, and private companies (including venture companies)

We will promote knowledge and technology exchanges globally through joint research and co-creation projects, swiftly implement the latest science technology and innovative ideas in society, and jointly develop innovative solutions to solve social issues.

New in 2024

- **Building a strategic partnership for food business with ZEROCO Inc.**
  By combining ZEROCO's freshness preservation technology with the Company's technology, we are working to realize a healthy and sustainable society in the food sector.

[Interview] The future of food explored by ZEROCO (Japanese only)

Shareholders and investors

Sustainable improvement of corporate value and realization of stable shareholder returns

The Company promotes well-being management that contributes to society from a long-term perspective, and aims to improve corporate value and enhance shareholder returns stably and continuously.
Our basic policy is to progressively return profits to shareholders with a consolidated dividend payout ratio of at least 30% and a DOE of at least 3.5% as targets. The Company will engage in appropriate communication and information disclosure, sincerely listen to the voices of investors to reflect them in management, and achieve long-term and sustainable growth.

- General Meeting of Shareholders
- Online briefing session for institutional investors
- Communication through regular newsletters, etc.

Shareholders newsletter

Profit-sharing policy

Rohto's history—a challenge to social issues relating to healthcare

Increase in the number of people suffering from stomach diseases

1899

In the Meiji period, the number of patients with stomach diseases increased due to changes in dietary habits. The Company began with the launch of Ikatsu gastrointestinal medicine by the founder, who believed that effective stomach medicine was needed.

Founder
Yasutami Yamada

Prevalence of trachoma

1909

After the Russo-Japanese War, the nation was struck with trachoma (chronic conjunctivitis) epidemic, which had spread from demobilized soldiers, causing the number of people losing their eyesight to increase. The launch of Rohto Eye Drops contributed to improving eye health of people.

Promoting health and productivity management

1959

The company motto is "Wakyō Doryoku" Believing that the development of the Company and the happiness of its employees are inextricably linked to each other, the Company has developed a comprehensive worksite fully equipped with a working environment, automated production systems, and welfare facilities.

Protecting mothers and babies

1985

We began sales of pregnancy test kits at pharmacies and drugstores from the perspective of protecting mothers and babies. We continued to emphasize the significance of test kit, and in 1992, gained approval as an OTC drug, which was launched in the following year.

To patients waiting for new treatment methods

2013

We started regenerative medicine research. The Company continues to take on the challenge of curing injuries and illnesses for which there was no treatment approach in the conventional medical care.

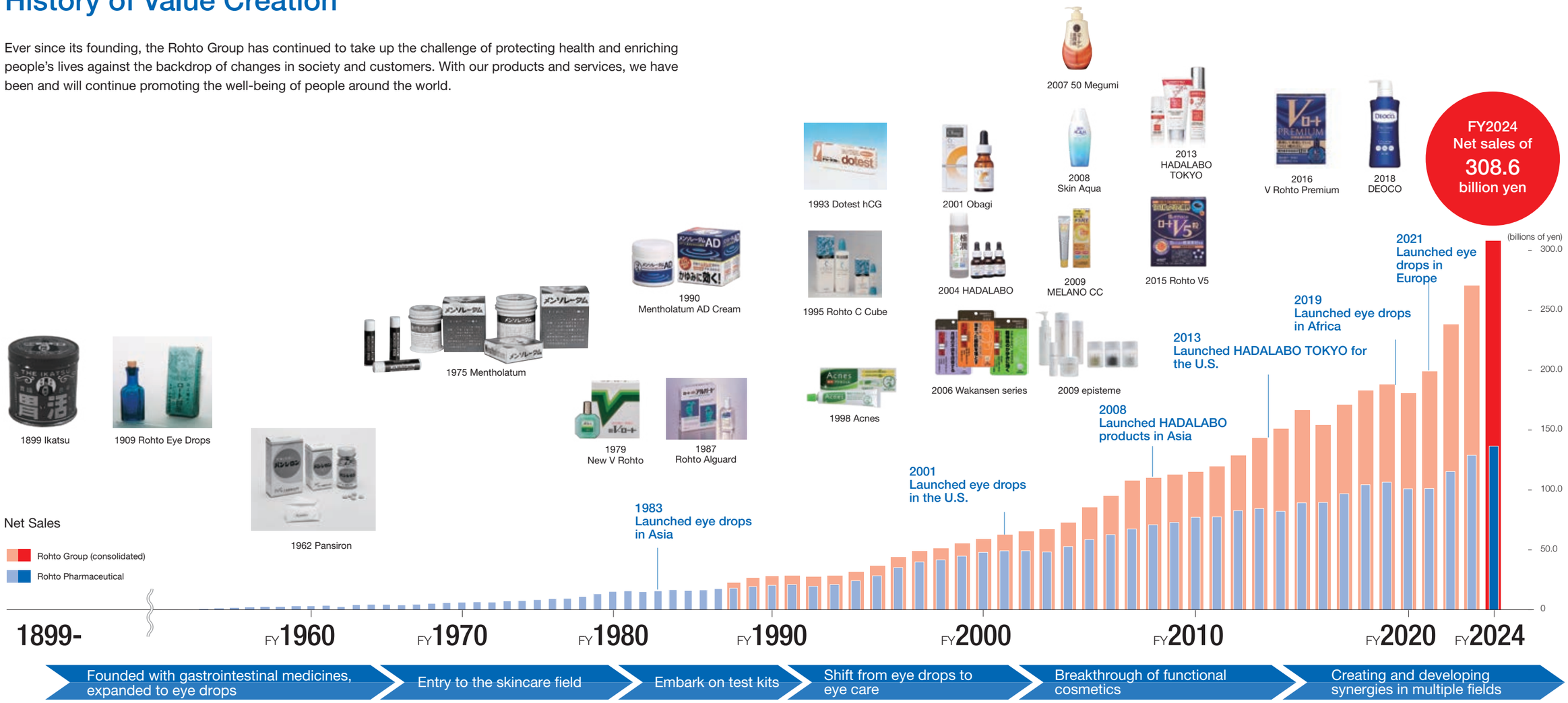
Moving the Heart

The corporate DNA
as a challenger has been inherited
in the new corporate slogan.

The history of Rohto has been shaped by many challenges that each and
every one of our employees has embraced,
the business partners who have supported these challenges,
and the customers whose hearts have been moved by our efforts.
Aiming for a society with well-being,
we will continue making people happier and
the future brighter with the passion of each one of us and the power of science.

History of Value Creation

Ever since its founding, the Rohto Group has continued to take up the challenge of protecting health and enriching people's lives against the backdrop of changes in society and customers. With our products and services, we have been and will continue promoting the well-being of people around the world.



Value creation

1899 Founded with Ikatsu gastrointestinal medicine
"All diseases start from the stomach." The Company started business in response to an increase in the number of patients with stomach diseases.
We enhanced convenience with Siron (1954), an individually packaged medicine fit for the lifestyle, followed by the launch of Pansiron (1962) in an easy-to-drink granule form. We thus built a base for the lineup according to symptoms.

1909 Launched Rohto Eye Drops against the backdrop of the spread of eye diseases
Rohto Eye Drops, which was launched to protect the eyes from ocular disease trachoma, revolutionized the eye drops industry with its easy-to-use, drop-in, double-ended eye drop bottle (1931). It continues to evolve into the current eye-drops, including the launch of the multi-prescription V Rohto (1964).

1975 Entry to the skincare field with the Mentholatum series
Beginning with dermatological medicines and lip balms, the Mentholatum series offers a range of products tailored to skin problems, including sunscreen and acne care, to protect healthy skin.

1985 Sale of pregnancy test kits at pharmacies and drugstores
We started selling pregnancy test kits at pharmacies and drugstores. In order to protect mothers and babies, we challenged the acquisition of approval as an OTC drug, which was achieved in 1992. The Company's in-house brand Dotest (1993) carries on this philosophy, and supports self-care with various test kits.

1995 Popularized contact lens care
We launched contact lens care products available at drugstores. We then began sales of contact lenses and expanded the scope of our eye care domain.

2001 Proposed functional cosmetics
We turned pharmaceutical concepts into cosmetics. Centering on Obagi (2001) and HADALABO (2004), we pursue functions and evidence with a focus on the fundamentals of skin.

2009 Aging care*1 for which cutting-edge technology is applied
We started counseling sales of cosmetics at department stores with the launch of episteme.
We offer beauty solutions that help customers overcome skin problems.

2013 Started regenerative medicine research
The Company continues to take on the challenge of curing injuries and illnesses for which there was no treatment approach in the conventional medical care.

*1: Moisturization according to age
*2: The Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices

2022 The companion animal business
We challenged the well-being of companion animals.

2024 Revolutionized the treatment of intractable wounds
Our AutoloGel System was approved as the first PRP treatment device for intractable wounds under the Pharmaceuticals and Medical Devices Act*2.

2024 Science-based proposals in hair care
We began proposing science-based hair swelling care one step ahead of the times, in addition to our conventional proposal of scalp skin care for addressing gray hair, odor, and itching, and for promoting hair growth.

Strengthen the system

1959 Opened a plant Osaka Plant

1988 M&A The Mentholatum Company (U.S.)

1991 Established a subsidiary Mentholatum (China) Pharmaceuticals Co., Ltd.
1996 Established a subsidiary PT. Rohto Laboratories Indonesia
1997 Established a subsidiary Rohto-Mentholatum (Vietnam) Co., Ltd.
1998 Opened a plant Vietnam Plant
1999 Opened a plant Ueno Plant (Mie Prefecture)

2002 M&A MG PHARMA Inc.
2006 Opened a lab. Research Village Kyoto
2007 M&A Meguro Kako Inc. (currently Qualitech Pharma Co., Ltd.)
2014 M&A Dax Cosmetics Spolka Z Organiczona Odpowiedzialnoscia (Poland)
2016 M&A Ophthalmos S. A. (Brazil)

2020 M&A Nitten Pharmaceutical Co., Ltd. (currently Rohto Nitten Co., Ltd.)
2021 M&A Hydrox Laboratories, Inc. (U.S.)
M&A Amato Pharmaceutical Products, Ltd.
M&A Olympus RMS Corporation (currently Interstem Co., Ltd.)
2024 M&A Eu Yan Sang International Ltd. (Singapore)
M&A Mono chem-pharm Produkte GmbH (Austria)

Rohto's Strengths by Numbers

Brand power
that delivers timeless attractiveness

Long sellers*
27
brands

In the healthcare category, we have a broad lineup of products, including many brands that have been loved by customers for a long time. Our long-selling and hit products ranging from pharmaceuticals to cosmetics, including eye drop V Rohto, gastrointestinal drug Pansiron, and skincare products Obagi and HADALABO, all represent Rohto's unique values and continue to grow as they contribute to the well-being of consumers.

* Number of brands that have been continuously sold for more than 10 years since their launch and have sales of more than 1 billion yen in fiscal 2024. (For Rohto Pharmaceutical's non-consolidated basis)

OTC eye drops
In Japan
No. 1

Basic skincare products
In Japan
No. 1

In each of the eye care and skincare product fields, which account for large proportions of our net sales, we benefit from overwhelming support from customers. Our OTC eye drops have maintained a high market share in Japan for many years. In fiscal 2023, we achieved a 44.6%*1 market share and maintained the top position in this category. In the rapidly growing skincare products field, we continued to be the No. 1 manufacturer*2 in fiscal 2023.

*1 Intage SRI+ eye drops Estimated sales volume from April 2023 to March 2024

*2 Intage SRI + total of 5 Basic Skincare Categories (lotions, emulsions, beauty serums, nourishing creams, face masks)
Estimated sales volume from April 2024 to March 2025

Global Localized development

Sales network in more than
115
countries

Eye drops sold in
40
countries

We are aggressively expanding overseas in cooperation with our subsidiary, The Mentholatum Company. Rohto Group products are currently sold in over 115 countries, and the ratio of consolidated overseas sales to total sales is approximately 40%. Our businesses in East and Southeast Asia in particular are driving our growth,
and following Europe, North America, and Asia, we have now established local subsidiaries in emerging countries in regions such as South America and Africa to promote our business. This worldwide network is one of our strengths. In every region, we need to develop our business in accordance with not only the climate, customs, and preferences of each country, but also the regulations of each country. While staying true to the important aspects of our brands and products, we engage
in our business in each region with an emphasis on our self-supporting manufacturing, from development to sales, and human resource development.

Thorough customer perspective

Happy surprise
3,077 cases
(FY2024)

We share customer feedback with everyone at Rohto as "Happy Surprise" testimonials. We are grateful to our customers and are encouraged by their positive feedback, and reflect them in product improvements and planning of the next products. It all started in 1952 with a questionnaire postcard called User's Voice survey card enclosed with Rohto Peni-my Eye Drops. Since then, for more than 70 years, we have treasured the feedback we have received from our customers in various forms, including postcards, phone calls, and emails.

Realizing stable growth through management with a long-term perspective

Average annual growth rate of net sales
7.9%
in 30 years

Increase in dividends for
21
consecutive fiscal years

Aiming for sustainable growth over the long term, the Company not only reinvests profits obtained through its corporate activities for sustainable growth of the Company, but also redistributes them to stakeholders such as employees, business partners, customers, and shareholders. We conduct corporate activities with the aim of enriching the world as a whole, which is resulting in the ongoing stable growth.

Achieving value creation Technological capabilities and R&D capabilities

126
years of history, technology, and synergies in various fields

With our know-how and perfection accumulated over 126 years since our foundation, we are conducting research and development that pursues not only functionality and effectiveness, but also comfort of use for a long time to come. both in industry and academia, makes new discoveries and applications possible. We aim for further evolution. Broadening of the scope of our business fields and interactions among researchers within and outside Rohto Group in various fields are creating synergy across disciplines. New discoveries made through joint research in industry and academia are being speedily applied in various fields. We aim for further evolution by developing human resources who continue to take on challenges.

R&D Expenses
14.9
billion yen

As we expand into new business fields such as regenerative medicine, we are increasing investment in R&D and vigorously promoting it. We will continue to invest up to 5% of consolidated net sales in fields that will become the next pillars of growth, enhance our technological capabilities, and build a foundation to support future growth.

An awareness of improvements to pursue higher goals

Improvements and findings
9,472

At Rohto, we view "improvements" born of awareness by our people as the true seeds of evolution, and each and every one of us is working with determination to achieve both quality improvement and cost reduction. In fiscal 2024, findings reported to the "Kaisen-tai," a dedicated team for improvements, counted 9,472 cases. Of which, 8,133 cases, or 85.9%, have already been resolved, leading to cost reductions of approximately 35 million yen. This has led to the development of human resources who achieve high quality.

Human resources to drive corporate growth

Ratio of female managers
30.0%

External Challenge Work
65 people

Since its foundation, the Company has created value for society, driven by the aspirations and passion of each and every employee. We believe that having diverse employees play proactive roles will enable us to respond to the highly uncertain and changing environment and achieve growth of the organization. Not only creating an environment where each employee can thrive, we encourage their growth by helping them engage in work on their own initiative with a sense of meaning and pride.

Quality system underpinning trust

Quality compliance training
Attendance rate
100%

The Quality Policy consists of guidelines for providing products that customers and patients can use safely. All the members are aware of this policy. In order to ensure compliance with the Pharmaceuticals and Medical Devices Act* and raise awareness of quality, all employees from sales to back-office divisions undergo a quality-related training once a year.

* The Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices

Intellectual Property backed by advanced technology

Number of patent applications*
285

* 2020 - 2024, Japan

We have been linking our advanced research to the development of novel and highly unique products, which has formed the source of our competitiveness. By creating products that not only ensure the efficacy and safety and the stability of our formulations, but also the comfort and convenience, we are contributing to the well-being of society. Appropriate protection of technologies also leads to the protection of customer safety and trust in the Company.

At a Glance

Net Sales by Business Segment in FY2024

Eye care products — Net Sales 55.7 billion yen

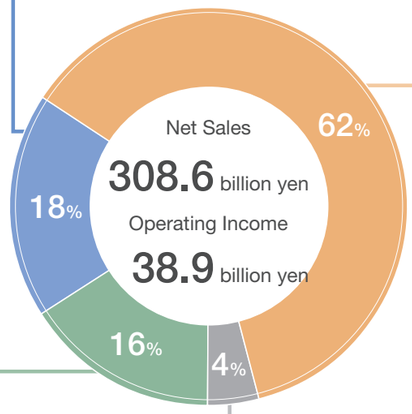
Development, manufacturing and sales of products for the maintenance and improvement of eye health, including eye drops, eyewash, contact lenses, contact lens care products and intraocular lenses P.25

Major products and brands

Skincare products — Net Sales 190.5 billion yen

Development, manufacturing and sales of products for maintaining the health and beauty of skin, including dermal medicines, hemorrhoid remedies, topical anti-inflammatory analgesics and other medicines, functional cosmetics, lip balms, sunscreens, body cleanser, antiperspirant, and hair care products P.28

Major products and brands



Oral medicine/health food — Net Sales 49.3 billion yen

Development, manufacturing, and sales of products for maintaining and improving health, including gastrointestinal drugs, kampo-yaku (Chinese herbal medicines), supplements, food, beauty beverages, and laxative internal medicines P.32

Major products and brands

Other — Net Sales 13.0 billion yen

Development, manufacturing, and sales of in-vitro test kits, medical devices, oral care products, nasal spray, insect repellent, regenerative medical products, and disinfectants, and operation of clinics and food and beverage services

Major products and brands

Net Sales by Region and Business Segment in FY2024

Japan

In Japan, which accounts for about 50% of Rohto Group sales, we operate all business segments. In addition to high value-added eye drops and skincare products such as functional cosmetics, lip balms, and sunscreens, sales of supplements have grown in recent years. Sales were strong not only at Rohto Pharmaceutical Co., Ltd., but also at Qualitech Pharma Co., Ltd., which manufactures and sells internal medicines, and Rohto Nitten Co., Ltd., which manufactures and sells ophthalmic pharmaceuticals for medical use.

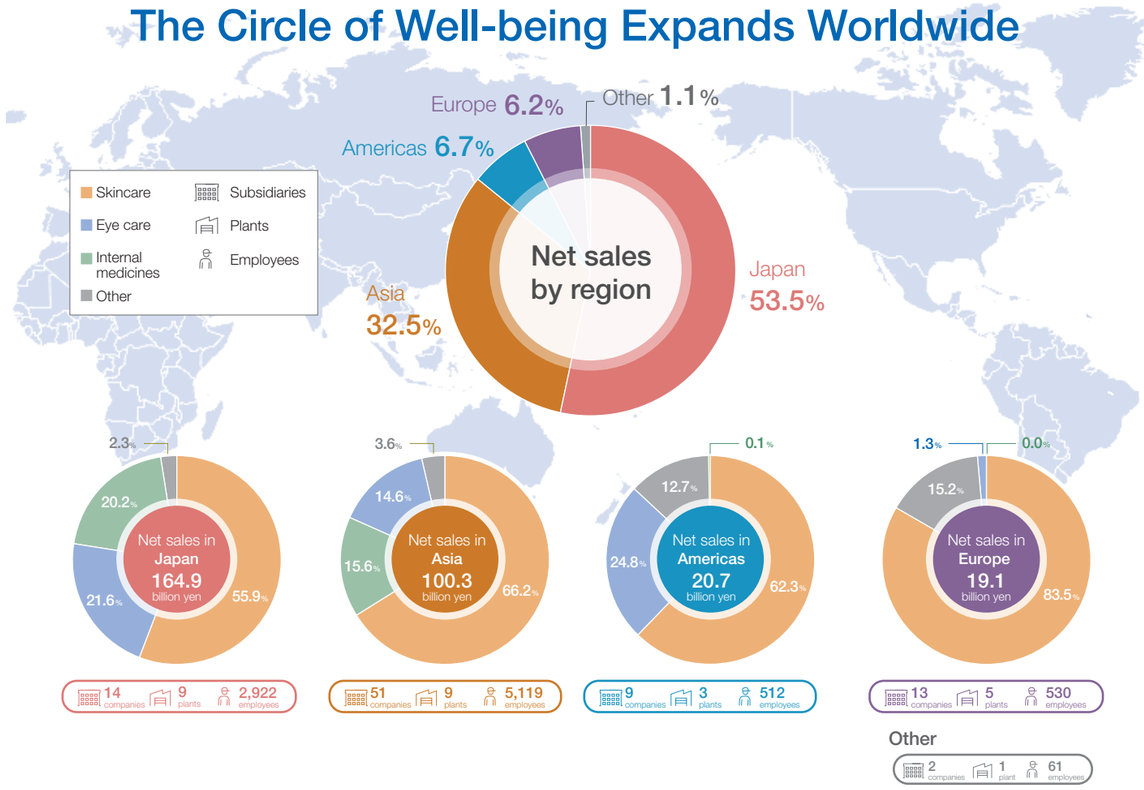
Asia

The Group sales in the Asian region increased from 29.5% to 32.5% on account of the addition of Eu Yan Sang International Ltd. in fiscal 2024, backed also by the strong growth and favorable sales in Vietnam and Indonesia in recent years. Our mainstay products in particular are HADALABO, sunscreens and "Selsun," an anti-dandruff shampoo.

Americas (including Latin America)

In addition to The Mentholatum Company, Inc. in the U.S., we have subsidiaries in Canada, Mexico, Brazil, and other countries, and are developing our business with a focus on eye drops, Mentholatum Ointment, and skincare products such as lip balms. We are also contributing to health in peripheral fields, such as disinfectants for medical institutions by Hydrox Laboratories, Inc. and ophthalmic surgery devices by Ophthalmos S. A.

The Circle of Well-being Expands Worldwide



Europe (including the Middle East and Africa)

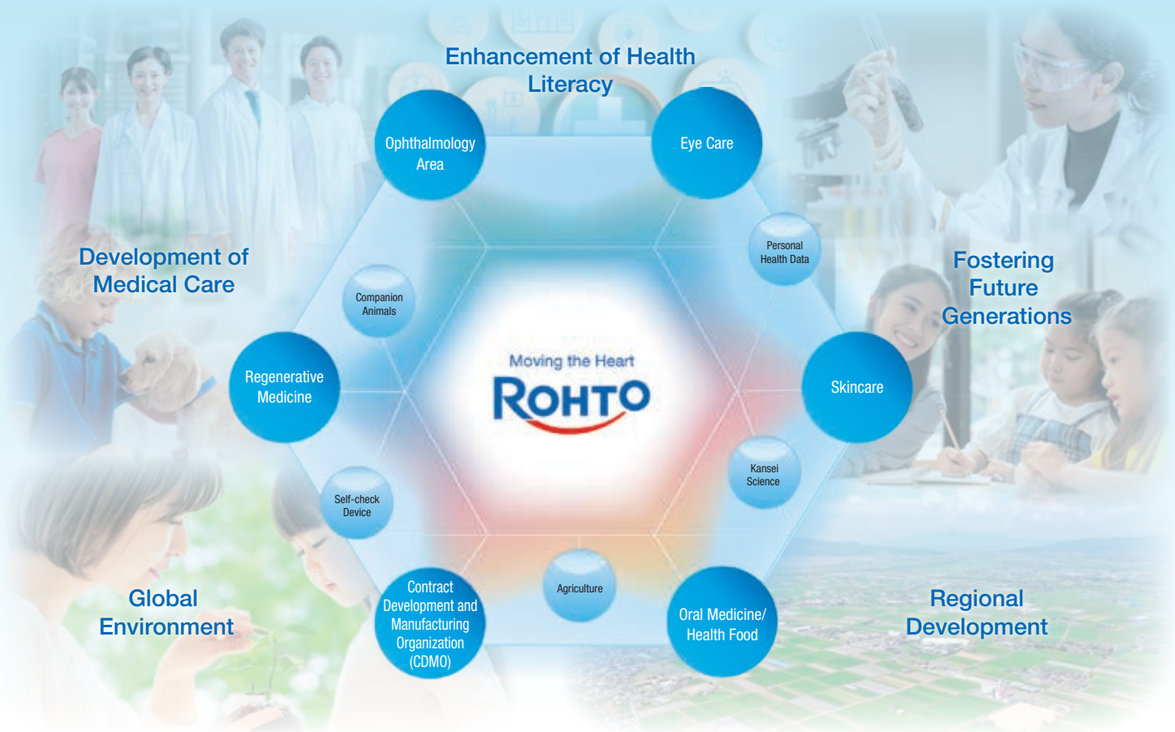
The Company is developing its business with the Deep series for topical anti-inflammatory analgesics as the main brand. HADALABO TOKYO, which has expanded its sales countries in recent years, and eye drops for dry eyes have grown significantly, and sales have increased year by year. In addition, sales of Perfecta, a cosmetic product of Polish-based Dax Cosmetics, have been favorable. In fiscal 2024, Mono chem-pharm Produkte GmbH joined the Group, resulting in the acquisition of new markets. Our subsidiaries in Kenya and South Africa are also making steady progress in developing the African market.

Other Region (Oceania)

In Australia, we sell the mainstay Deep series for topical anti-inflammatory analgesics, and skin care products such as HADALABO TOKYO. In addition, we independently roll out internal medicines such as laxatives. We also launched eye drops and made entry into the market.

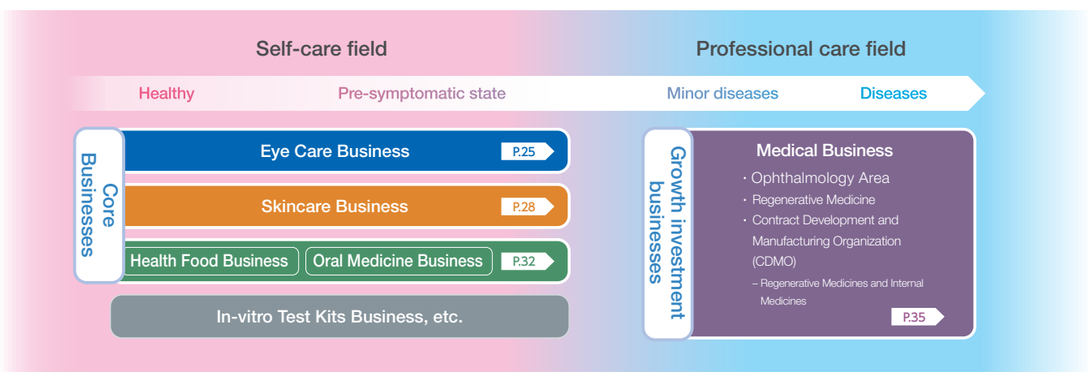
Rohto Group Comprehensive Management Vision 2030

Connect for Well-being



Rohto will continue to contribute to the beauty and health of people around the world and continue to be a company that people around us expect to exist.
In February 2019, Rohto Pharmaceutical celebrated the 120th anniversary of its founding, and in order to clarify its aspirations, we have established the "Rohto Group Comprehensive Management Vision 2030," which outlines our vision for the year 2030.
In addition, we have also clarified the business domains that we will focus on over the next 10 years, and established the "Business Domain Vision 2030" as the vision we aim to achieve in each domain.
By connecting people all over the world with health, we aim to deliver well-being to people around the world and achieve a sustainable society where people can live long, healthy, and happy lives.

Domains addressed in Business Area Vision 2030



Medium- to Long-term Growth Strategy 2025-2035

Positioning of the Medium- to Long-term Growth Strategy

It has been six years since the Company launched the "Rohto Group Comprehensive Management Vision 2030" in 2019. Over the past six years, the business environment surrounding the Company has changed significantly as the world has been shaken by the global spread of COVID-19 and the Russian invasion of Ukraine. Under these circumstances, the Company has been striving to deliver well-being to its customers, and as a specific strategy for achieving this, formulated and announced the Medium- to Long-Term Growth Strategy in May 2025.

In the next ten years, we continue working to realize our purpose, that 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.

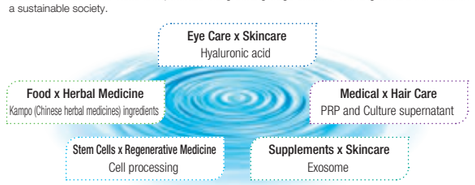
Challenges and Strategies

By further refining the next-generation Rohto science, we aim to expand well-being value in the professional care field while remaining focused on self-care field. In order to achieve this, we have set three priority issues. Through specific strategies to address these issues, we will strengthen the competitiveness of our core businesses and maximize our growth potential as a company. In addition, as a science-based company, we will transcend the boundaries of chemicals, biotechnology, and medicine, and **deepen our scientific approach in multiple areas** such as data and IT, sales strategies, and production and business management.

These strategies will not be pursued independently. Instead, we will **seek out unmet needs** in the gaps between each area, **generate innovations,** and **demonstrate synergies through various combinations.** As in the case of the expertise in exosome obtained from cell research that can be applied to the skincare field, we will cause interaction among different businesses we engage in, to expand the circle of well-being and create the future. That might involve our initiatives for professional care that is in the process of growth, our core self-care business, and data and IT.

Challenges	Strategies
Strengthening business profitability	**Global expansion of the Self-care business and entry into new fields** ■ Delivering new value in Eye Care and Skincare both in Japan and overseas ■ Establishing a solid position in new fields such as Hair Care and Feminine Care
Deepening and expanding technological and product capabilities	**Providing well-being-oriented lifestyles** ■ Advancing research on materials in Phyto-Science* and introducing supplements ■ Offering gastrointestinal and post-treatment care and leveraging synergies with Eu Yan Sang International Ltd. (EYS) in Internal Medicine and Food Products fields
Building a foundation for the Medical Business	**Establishing a Medical Business foundation and network** ■ Expanding CDMO from Chemical to Biopharmaceutical and Cell-processing ■ Integrating Ophthalmology businesses within the group; cosmetics developed for dermatological settings ■ Developing new ophthalmic pharmaceuticals and regenerative medicine products

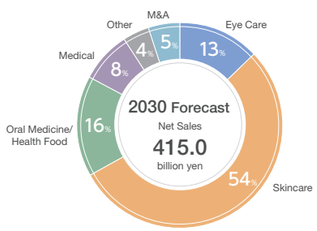
* Phyto-Science: One of the new business strategies pursued by Rohto Pharmaceutical, aimed at developing the health industry and solving social issues through the use of local natural materials and technologies. Focusing on the active properties and functions of plant-based materials ("Phyto-Power"), we aim to unlock their value and potential using cutting-edge science, working toward the creation of a sustainable society.



Forecasted Portfolio in 2030

While the eye care and skincare businesses continue to grow steadily, the internal medicines and food business is expected to grow significantly, mainly in Asia, presumably accounting for 16% of total sales as shown in the right from the current 13%. This will help us achieve a well-balanced business portfolio. We also expect approximately 20.0 billion yen in sales resulting from M&A in the future.

As a result, the overseas sales ratio is expected to increase to 53% of the total sales.



Eye Care Business

Expanding growth in Japan and overseas with the aim of acquiring a leading position in the global OTC eye care market based on the quality and technology developed in Japan

As society faces an aging population and rising healthcare costs, eye care that contributes to maintaining visual function is essential for realizing well-being of people and extending healthy life expectancy. Since its founding, the Company has seen contribution to the well-being of people through eye health as one of its core missions. Leveraging the technical capabilities and brand power it has developed over many years, the Company provides customers with self-care products that respond to eye-frailty and diversifying eye-related concerns caused by the spread of digital devices. In addition, in its development not only in Japan but also in global markets such as Asia and Europe, we aim to solve social issues through eye health for people around the world.

Strengths and Advantages of the Eye Care Business

Years of eye research know-how	Quality assurance through collaboration between R&D and manufacturing	Global production system	No.1* share in OTC eye drops	Diverse product lineup	Strong relationship with drugstore networks nationwide

* Intage SRI + Eye drops Estimated sales volume from April 2024 to March 2025

Issues and Focus Points of the Eye Care Business

Create new demand in Japan	We will create new demand through product proposals and digital advertising to foster awareness of eye-frailty and myopia among children, and to cultivate a habit of using eye drops among entrant generations.
Expand overseas business	In addition to responding flexibly to the cultural and regulatory environment in each country, we will instill awareness of the habit of using eye drops to expand sales channels globally.
Respond to soaring raw material prices	We will strive to reduce costs by reviewing product designs and improving production efficiency, while at the same time providing high value-added and convincing pricing.
Strengthen production capacity	Seeing a stable supply system that supports growth in Japan and overseas as essential, the Company will build a global network of production bases.
Respond to procurement risks	In response to increased procurement risks stemming from geopolitical risks and natural disasters, the Company will build relationships with suppliers and implement a supply chain management system that utilizes global ERP, thereby striving to ensure stable supply.

Initiatives and Results in FY2024

Overseas

Acquisition of production and sales bases in Europe

In August 2024, we made Mono chem-pharm Produkte GmbH ("Mono"), an Austrian-based manufacturer and seller of ophthalmic solutions, into a subsidiary.

Mono has a production system in compliance with the latest European pharmaceutical regulations, and is able to supply high-quality ophthalmic pharmaceuticals.

Through Mono, we will accelerate the development of the ethical drugs field and the introduction of OTC (over-the-counter) drugs in Europe, and aim to strengthen our presence in the European eye care market.

Expansion of a global sales network

ROHTO DRY AID, an eye drop for dry eyes, received CE certification* in Europe in 2021. We began sales of this product in Austria through Mono, and are expanding the sales network to the Middle East and other regions. In the United States, Dual Light Relief was launched in August 2024, expanding the product category. The Company also entered new markets in Canada and Australia by starting sales of eye drops. As of fiscal 2024, our eye drops are available in 40 countries.

* By obtaining CE certification, which certifies that the product meets the safety standards of EU member countries, it became possible to sell the product as a medical device in EU member countries.

Dual Light Relief

Japan

Capture new demand by launching new products

Prolonged use of smartphones and an increasing number of young people wearing colored contact lenses on a daily basis in recent years have made the eye care environment more challenging. There are many people who do not respond to their eye problems such as discomfort or dryness. To facilitate eye caring in their daily life, we launched a new product with an innovative container that the younger generations would want to carry around. We are developing products that can be used by those who do not have a habit of using eye drops.

Rohto meme Moisture Tear Serum

Expand reach to the digital generations

With the spread of digital devices, the burden on the eyes is increasing among younger generations. We focused on rebuilding brand recognition among them by disseminating information using social and digital media, and communicating through e-sports and other channels that are highly popular with younger generations.

E-sports competition held online "Rohto Zi Man No. 1 Final Round" ©CAPCOM

Favorable sales of high value-added eye drops

The Company has enhanced its brand value mainly through the V Rohto Premium series, which is the mainstay of the domestic eye care business, and has become a manufacturer with the No. 1 market share* of OTC eye drops in Japan.

* Intage SRI + Eye drops Estimated sales volume from April 2024 to March 2025

V Rohto Premium series

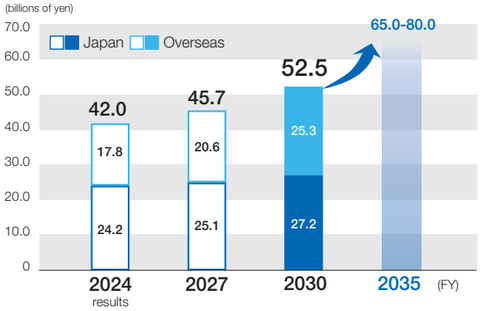
Fostering and raising awareness about the importance of eyes

The Company works to raise awareness about the importance of eyes by promoting regular eye check-ups for children with myopia, which has become an issue in recent years, and conducting surveys on eye frailty caused by aging and external stress. In addition, in cooperation with Kodomo Challenge and Shinkenzemi Elementary School Courses provided by Benesse Corporation, we released a special website, "Fun Learning! Eye Health Website," to protect the health of the eyes of children whose eyesight is growing.

©Benesse Corporation

Medium- to long-term strategy

Net Sales of Eye Care Business (excluding prescription)



Expansion of the switched-OTC market

Self-medication is becoming increasingly important in Japan as the population ages, and in light of the trend toward switching to OTC drugs, the Company will utilize its technology to promote the development of switched-OTC products that meet customer needs.

Provision of new solutions

As prolonged use of digital devices has brought about eye concerns, along with eye frailty due to aging, it has become increasingly important to maintain and improve visual functions with changes in lifestyles.

In order to provide new solutions to the increasingly diverse and complex eye concerns, we will deepen our existing technologies, advance our development capabilities utilizing new expertise in regenerative medicine and other areas, and collaborate and co-develop with external research institutions.

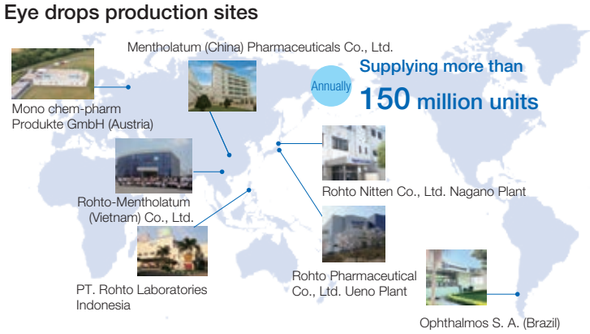
In addition, we will strive to raise eye health literacy, and deliver various solutions to customers by prompting their awareness.

Strengthen production capacity

The Company has a world-leading production capacity to supply more than 150 million eyedrops per year. We are working to increase production capacity at all seven plants including Mono, which joined the Group in 2024, to accommodate increased supply volume associated with the creation of demand and the expansion of sales areas in Japan and overseas.

At the same time, the Group will implement supply chain management utilizing ERP across the Group to strengthen the structure to control costs and address procurement risks.

Eye drops production sites



Expansion of the global OTC market

Against the backdrop of changes in lifestyles and climate change, awareness of eye health is rising around the world.

In Asia, centering on Vietnam, Indonesia, and China where we have already established a position, we are also advancing into neighboring Asian regions through educational activities to raise awareness.

In Europe, the Company began its entry into the eye care market with ROHTO DRY AID. We are now able to provide new solutions to even more customers by leveraging Mono's high quality, high production capacity and its expertise in development and sales. At present, the Group is expanding its business to regions that adopt EU regulations, such as Australia, the Middle East and Africa.

With the addition of Mono, we plan to expand into Austria and its surrounding regions, as well as Kenya, Iraq, Brazil, and Thailand, where we have newly obtained approval. As demand for self-care is rising around the world, the dry eye solutions market is growing steadily. We will capture market trends and accelerate the global development of the eye care business.

ROHTO DRY AID

Skincare Business

Developing high-performance skincare products based on science, while strengthening brands and accelerating business expansion in Japan and overseas

The Company provides high-performance skincare products through an evidence-based research and development that pursues safety, efficacy, and mechanisms based on scientific knowledge in the dermatological field. The Company has created unique values through the application of regenerative medicine research and core technologies accumulated over many years. In recent years, we entered the hair care market on a full scale, strengthening its brand power both in Japan and overseas. Furthermore, by leveraging our technological capabilities, we are promoting interdisciplinary research and development covering pharmaceuticals, quasi-drugs and cosmetics, and continuing to take on challenges for new domains centered on our global brands. We create innovations with skin science, and realize sustainable growth and value creation as a company that responds to skin- and hair-related issues around the world.

Strengths and Advantages in Skincare

Cosmetics of pharmaceutical company quality	Technologies based on expertise in eye care, internal medicines, and regenerative medicines	Evidence-based research and development	Diverse sales channels (drugstores, department stores, D2C, clinics)	Brand power backed by history	High patent power

Issues and Focus Points of the Skincare Business

Further strengthen existing brands	We aim to further strengthen our core brands such as Obagi, HADALABO, and Melano CC, which are high-performance skincare series that meet the trust placed in us as a pharmaceutical company. We also strive to create and develop brands that will become the next pillars of the skincare business.
Capture new demand and create new value	As lifestyles diversify and the environment changes, it becomes possible to discover and propose new value. Also, in existing categories, we can expect proposals to new customer segments such as men and young entry-level customers.
Establish a position in new categories and channels	The competitive environment is becoming more challenging with the declining birthrate, aging population and the maturation of markets. In order to achieve growth, it is important not only to expand existing brands and categories, but also to acquire new markets and channels. In fiscal 2024, we took on the challenge of entering new categories and new channels, but we need to take measures to establish our position.
Develop global brands	As demand for skincare is expanding mainly in Asian emerging markets, we are growing each brand in line with the characteristics of each region. While leveraging this strength and balancing global branding and local adaptation, the challenge for us is to effectively spread the brand power by fostering new global brands to follow HADALABO, Skin Aqua and Mentholatum.
Procurement risks	We are more likely to face risks in securing raw materials due to factors such as fluctuations in foreign exchange rates and transport disruptions caused by instability in the global situation and geopolitical risks, as well as climate change. In order to maintain quality and respond to price fluctuations, ensuring stable procurement of raw materials has become an issue. In preparation for the risk, it is important to diversify suppliers and production bases.
Cost competitiveness	In order to maintain high quality and provide products to customers at fairer prices, it is necessary to optimize production efficiency and procurement costs.

Initiatives and Results in FY2024

Research outcome based on skin science
Technological development to expand the potential of retinol

Our "Skin Science" is technology and research for realizing high-quality, high-performance skincare as a pharmaceutical company, based on scientific findings on the structure and functions of the skin.

We focused on retinol, which is attracting attention as an ingredient that gives resilience and gloss to the skin. We scientifically analyzed the A reaction, a side effect of using retinol, and developed a new technology that allows pure retinol to slowly penetrate the skin, thereby suppressing irritation while producing high efficacy.

Dermacept RX, a high-level skincare brand that pursues functionality, has a system in place for customers to use functional cosmetics correctly and appropriately, through offering self-checks before purchasing, support from full-time counselors, and the provision of usage guides, thereby achieving both efficacy and safety of the products.

Full-scale entry into the hair care market

Applying the knowledge of skincare and regenerative medicine research accumulated to date, the Company newly launched two hair care brands in Japan, namely PRORY and Gyutto, which are equipped with our proprietary technologies to address the causes of swelling and unruly hair. We are now able to present a wider range of value propositions for customers concerned about their hair, which led to expanding our business in the skincare domain and catering to a broader range of customer needs.

Overseas, the 50 Megumi series has gained the No. 1 brand* in the hair care category in Hong Kong. In addition, Selsun, an anti-dandruff hair care brand, is gaining support from customers mainly in Asian countries. Selsun is being developed in line with the lifestyles and needs of each country. In Malaysia, the Company launched Selsun Mist, a relief for concerns about sweaty scalp after wearing hijab. In this way, we are steadily expanding its lineup and strengthening the brand power. Polish-based Dax Cosmetics launched HAIR CLINIC MEZO-THERAPY, which focuses on both hair and scalp, from its mainstay skincare brand YOSKINE. We share technology and knowledge within the Group and utilize them in new proposals.

Gyutto

PRORY

* NielsenIQ Market Track Service data. Sales Value (HK$) of 50 Megumi in total Hong Kong Hair care categories including Shampoo, Conditioner, Hair Treatment & Hair Coloring in 2024 Jan.-Dec.

Selsun Mist

YOSKINE

Global expansion of HADALABO brand

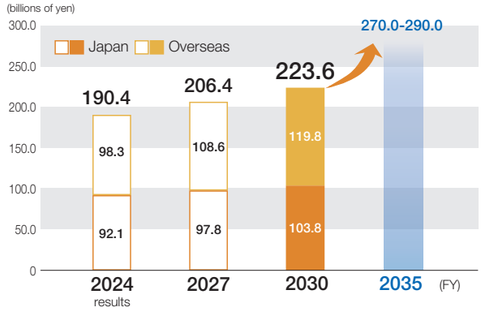
The HADALABO brand, which has grown into the core of our global development as a top skincare brand, is being developed in more than 60 countries, including Europe and the United States. Taking into consideration the culture, skin type, and needs of each country, it is steadily expanding customer support. In fiscal 2024, we entered Turkey, Spain, and South Africa. The new markets have become growth drivers, raising the position as a global brand originating in Japan.

HADALABO

HADALABO TOKYO

Medium- to long-term strategy

Net Sales of Skincare Business



Accelerate the evolution of skin science

By leveraging the knowledge accumulated through research and development in the fields of pharmaceuticals, quasi-drugs, and cosmetics, we will accelerate the evolution of skin science that contributes to the health and beauty of skin and hair. In particular, we are advancing the development of high-value-added products based on skin science, centering on our strategic ingredients we excel, namely, vitamin C, ceramide, and hyaluronic acid.

Expansion into the clinic channel

The Group is also working to expand its high-value-added skincare products into the clinic channel by applying the research knowledge and technologies that have cultivated in Japan and overseas. We will create new demand at the interface between healthcare and beauty.

Strengthen production base

In order to respond to procurement risks stemming from global conditions and natural disasters, etc., and to strengthen cost competitiveness amid rising raw materials costs, the Company will work to strengthen production capacity and implement DX-based global supply chain management.

While realizing cost reductions through optimization of the global production system and improvement of procurement efficiency, the Group will respond to diversified risks through strengthening the procurement network and diversifying production bases.

In the area of skincare, we will further strengthen our production system in Vietnam, Indonesia and China in Asia, in addition to Japan. We will also aim for further growth by effectively utilizing global management resources, including Dax Cosmetics in Poland, which has become an important production base for the European and Middle Eastern markets.

Deepen hair care research and establish the market position

We will advance full-fledged development in the hair care market with new value propositions, as represented by Gyutto. Since the start of hair care research in 1995, the Company has worked on the development of products to address hair concerns such as scalp odor, itching, dandruff, and thinning hair. The Company is also conducting research with the aim of fundamentally solving age-related, irreversible issues such as swelling, gray, and dry hair, with the application of science such as regenerative medicine and molecular-level analysis. We will expand the hair care market by providing new value to address diverse hair concerns through proposals based on scientific evidence, including research on adipose stem cells and analysis of hair structure.

Developing new global brands such as HADALABO TOKYO

While maintaining the values that we treasure as a brand, we will cultivate global brands by striking a balance between global branding that makes the most of the brand's value and local adaptation tailored to the characteristics of each region. We will develop new global brands to follow HADALABO TOKYO.

Noriko Suenobu
Director and Chief Research Officer (CRO)

Skincare strategies that create markets with the power of science

Rohto Pharmaceutical continues to evolve its skincare products with the determination to challenge existing common sense and create future markets on its own. The Company has applied its achievements in leading-edge fields, including research and development that transcends the boundaries between pharmaceuticals, cosmetics, and regenerative medicine, to issues related to skin and hair, and has realized "change" that goes beyond "efficacy." This is not just a technological development, but is the very essence of the strategy of "making science a management resource." Seizing upon new market opportunities, we expand our business domains, including the full-fledged entry into the hair care field and development of the clinic channel.

In its global expansion, the Group is working to sustainably maximize the brand value by providing products and experiences tailored to regional needs, including HADALABO TOKYO.

We will continue to deepen the dialogue between management and science, and build a research system that consistently covers everything from discovering unmet needs to creating markets.

Science is the power to change the future. We will use that power to deliver new possibilities around the world.

TOPICS

Combining technologies from different fields to create our own technologies

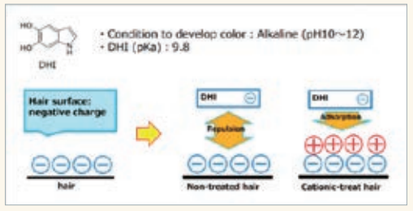
Applying our knowledge of regenerative medicine, we turn technologies focused on exosome into cosmetics and supplements. The Company aims to develop products with higher performance by applying its knowledge in the evolving medical field to the domains of beauty and health. In addition, by utilizing a same ingredient in different forms, one research result in a field can be applied to others, leading to optimization of development costs and improvement of research efficiency. Combining technologies from different fields, we bring out effects and new value that could not be generated by an ingredient alone. This is the result of unique science born from Rohto's diverse research fields.

Research presentation at The International Federation of Societies of Cosmetic Chemists (IFSCC) Development of a new hair color system was selected as one of the top 10 hair color products in the world by oral presentation

The Company developed a novel hair coloring system using DHI (5,6-Dihydroxyindole), and announced the result of its research at the 34th Congress IFSCC Brazil Iguazu Falls in 2024. This research was highly commended as a technology that achieves both safety and a wide range of dyeability to replace conventional oxidative hair dyes, which have the risk of hair damage and allergies, and was selected as one of the top 10 orally presented basic researches from a total of 688 research reports.

In this research, the combination of DHI with basic dyes and HC dyes realized a rich color tones from black to light brown. Furthermore, we have succeeded in improving the dyeability of the hair surface by shampooing with a specific cationic polymer.

We will continue developing products that take hair and skin health into consideration to contribute to improving people's quality of life.



Internal Medicines and Food Business

"All diseases start from the stomach." Based on the idea remaining unchanged from our founding, taking on the challenge of curing pre-symptomatic states utilizing pharmaceuticals and food products

Food is playing an increasingly important role in maintaining daily health and preventing disease. In order to respond to diverse needs, we focus on developing safe and unique products. By bringing together the technologies, know-how, and sales channels of Group companies and partner companies, we deliver highly reliable functional foods and internal medicines to cover everything from health maintenance and pre-symptomatic states to minor diseases and care for convalescence, delivering health to the bottom of the stomach.

Strengths and Advantages of the Oral Medicine/Health Food Business

Knowledge in gastrointestinal medicine research since our founding and product development capabilities utilizing technology cultivated over many years	Synergies with Group companies and partner companies in Japan and overseas
Safety and quality of pharmaceutical company standards	Evidence-based, high-value-added products through exploring functions of functional ingredients

Issues and Focus Points of the Oral Medicine/Health Food Business

Strengthen values of existing brands	The Company has a number of brands that are supported by customers, including long-selling brands, Pansiron, Wakansen, and Rohto V5. In response to changes in customers' lifestyles and diversifying needs associated with such changes, the Company will focus on improving customer experience, such as ease of drinking and ease of continuing, which are essential elements for oral medicines and health food products. By enhancing reliability and a sense of affinity, we will retain and strengthen the brand value.
Development and exploration of new ingredients	Developing and exploring new ingredients are an important issue to strengthen our competitiveness. In addition to the functional ingredients such as METAP, LUTEIN, and LICONINE, the Company is searching for and commercializing proprietary ingredients that can cater to changing consumer needs and trends toward evidence-based judgment. We will strengthen research and development functions and collaborate with external partners to expand the ingredients portfolio and increase the speed of commercialization.
Leverage synergies among Group companies	We strengthen collaboration among Group companies on ingredients, technologies, and sales channels, and create synergies in product development and market deployment. We will work to improve the competitiveness of the Group as a whole and accelerate growth.
Stable procurement of raw materials	Climate change, global conditions, and supply and demand fluctuations are posing the increased risks related to raw materials, such as herbal medicines and natural-derived materials, in terms of their yields, quality, and prices. It is therefore important to have a procurement strategy from a medium- to long-term perspective. By strengthening the procurement network across the Group, securing multiple suppliers, and reviewing the raw materials processing system, we will promote establishment of a system that can achieve stable supply and quality maintenance.
Ongoing initiatives for quality and safety	Greater emphasis is being placed on the safety of foods and other oral medication products. As a company that is responsible for the health of its customers, the Company is continuing its efforts to ensure quality and safety on an ongoing basis. We will maintain a high level of quality assurance through the establishment of a strict management system from the selection of raw materials to production and shipment, acquisition of international certifications, and cooperation with external organizations.

Initiatives and Results in FY2024

Made Eu Yan Sang into a subsidiary

Eu Yan Sang International Ltd. (hereinafter, "Eu Yan Sang") joined the Group. Eu Yan Sang has a wealth of knowledge and a proven track record in herbal medicines and Kampo (Chinese herbal medicines) ingredients, and is strong in product development using these ingredients, boasting a reliable brand power based on its 146 years of history and sales at directly-managed stores. Leveraging its distribution network and the brand power that have expanded mainly in Asia, we are now able to expand new ingredients and new channels in the region and expand into other regions by taking advantage of strengths of other companies within the Group.

Eu Yan Sang, which became a subsidiary of the Company in June 2024, is a healthcare company based on traditional Chinese medicine (TCM) headquartered in Singapore. It operates more than 188 directly-managed stores and 30 Kampo clinics mainly in Asia, and provides products to more than 35 countries around the world through e-commerce. Leveraging its established retail and distribution networks in Hong Kong, Malaysia, Singapore, and other countries, Eu Yan Sang delivers high-quality kampo-yaku (Chinese herbal medicines) and health foods to customers around the world. Its plants in Hong Kong and Malaysia have obtained international certifications such as GMP and ISO, and implement thorough quality control from raw materials procurement to manufacturing.

Development of products with "see," "eat," "move," and "quest for beauty" as key words

We develop products that improve the quality of daily life with "see," "eat," "move," and "quest for beauty" as key words. In the food area, we launched Rohto V5 that supports eye health, and globin protein hydrolysate (METAP®), which inhibits the elevation of neutral fat level after meals. In the area of quest for beauty, we launched a powder type in stick packaging, which is convenient to carry, from the THE LYPO brand, which contains liposomal vitamin C. Aiming for both efficacy and ease in continuation, we pursue product designs that make customers want to continue using them, which have been supported by customers.

THE LYPO Vitamin C Deep Powder

Development of Rohto V5 brand

The Rohto V5 series has grown to become the No. 1 brand in terms of sales on the Company's online shopping site, with cumulative shipments exceeding 15 million units*. Toward achieving annual net sales of 10 billion yen, the Company will aim to further penetrate the brand and improve profitability by accurately seizing on growth opportunities in the market, expanding the lineup, improving recognition in both the store and e-commerce channels, and strengthening efforts to acquire new customers.

* Shipment results of all products of Rohto V5, a series of foods with functional claims, as of the end of June 2024

Rohto V5

Confirmed METAP®'s liver protective functions

In collaboration with MG PHARMA Inc., a member of the Rohto Group, we confirmed that our proprietary ingredient METAP® functions to protect the liver of those who drink alcohol or with high neutral fat level. The research result was announced in 2024. We will apply the finding to the development of functional food products.

Development of new channels

With the development of Vision R Sprinkle It*, which addresses nutritional issues for the elderly, we began providing our products to some medical institutions. The product is being provided as hospital meals or introduced to outpatients according to their health conditions, which also leads to strengthened cooperation with the medical practice settings. By developing diverse sales channels, we will, via our products, deliver well-being to customers we have not met before.

* A sprinkles-type multivitamin supplement designed to facilitate nutrition intake on a daily basis, developed with a focus on decreased food intake by elderly people in their daily lives that may impact their health.

Vision R Sprinkle It

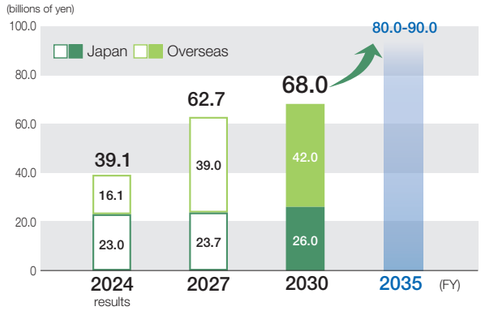
Activities to ensure safety

Further strengthening the food safety evaluation system to continue evolution

Information on functional foods and other food products is collected and thoroughly evaluated for safety in the same manner as for pharmaceuticals. We continued expanding the scope of adverse event (health effects) collection and revising the evaluation criteria in the current fiscal year. In response to serious adverse events, the Company has improved the system so that prompt and accurate action can be taken at an early stage, by strengthening the flow that incorporates the knowledge of medical specialists. Furthermore, in the current fiscal year, we reviewed information sharing and response systems involving Group companies, thereby raised the level of company-wide safety management. We will continue to work to improve safety, reliability, and transparency so that customers can enjoy our products with greater peace of mind.

Medium- to long-term strategy

Net Sales of Oral Medicine/Health Food Business (excluding contract medical business)



Development of functional ingredients

We are accelerating the development of new functional ingredients that utilize a variety of functional ingredients, including METAP under research, LICONINE, herbal medicines and kampo (Chinese herbal medicines) ingredients, and algae, as well as plant-derived components in the phytoscience field.

We will concentrate the technological resources through the expertise possessed by Group companies in Japan and overseas, as well as synergies among them so as to develop innovative and high value-added products, and cultivate products that respond to various health needs.

Initiatives for intestinal and convalescence care

We are developing intestinal care products based on our research on the intestinal environment. In addition, we are focusing on convalescence care to support the recovery of physical condition after illness, and have begun development utilizing functional ingredients.

We aim to be a company that can deliver total solutions that contribute to people's health, covering from daily health maintenance, pre-symptomatic states and minor diseases to care for convalescence.

Expand sales channels globally

The acquisition of Eu Yan Sang significantly expanded the Rohto Group's overseas sales network for the oral medicine/health food business. Mutual utilization of products and sales networks is expected to grow the oral medicine/health food business.

Specifically, we are expanding sales channels for Eu Yan Sang products in Asian countries including Japan, especially in Vietnam and Indonesia, and are also looking to develop new sales channels.

We will promote the creation of a growth platform and innovative health solutions in the Asian market, and enhance the presence of the Rohto Group.

Respond to procurement risks

Oral medicines and health food products have a particularly high risk of being affected by climate change. We will therefore increase flexibility in procurement, manufacturing, and supply through cooperation with Group companies and business partners, and build a stable product supply system in the global market.

We will establish a solid structure that can respond to changes in the business environment and support the sustainable growth of the oral medicine/health food business.

Value-added products and convincing pricing

The Group utilizes high-quality herbal medicines, kampo (Chinese herbal medicines) ingredients, and functional ingredients to provide high value-added products. We will also consider fair pricing in light of future changes in raw materials prices and market conditions.

Strengthening cooperation within the Group, we promote product development and optimization of the supply system, with an aim to achieve both sustainable growth and improved customer satisfaction.

Medical Business

Building a business platform with chemical, biology, and cell technologies as its core to provide innovative and multifaceted solutions in the professional care field

Social issues in the medical field are becoming increasingly diverse and complex, including responses to the aging of the population, unmet medical needs, and technological innovations, as well as ensuring safety. In this situation, the Company continues to take on challenges in the professional care field from various angles, such as the ophthalmology area, regenerative medicine, contract development and manufacturing organization (CDMO), and medical device development. Leveraging the knowledge of the Company, which boasts the top share of the OTC eye care category in Japan, we are contributing widely to the ophthalmology area through the development of ophthalmic pharmaceuticals and ophthalmic medical devices. We also aim to implement regenerative medicine in society to accommodate unmet medical needs, for which there has been no satisfactory methods of treatment, in pursuit of the advanced capabilities of regenerative medicine. Furthermore, backed by our research and development capabilities and high-quality production capabilities developed over many years, we will contribute to society through CDMO business, and contribute not only to the growth of the medical business but also to the development of medical care.

Strengths and Advantages of the Medical Business	Ophthalmology Area
Development and technical capabilities cultivated over many years in the OTC drug field	Capabilities to develop high value-added products such as unique preservative-free containers
Accumulated experience from businesses in various areas, including eye care and skincare	High market share for lacrimal duct tubes (more than 80%)

Issues and Points to Focus

Long development period	Developing ophthalmic pharmaceuticals for medical use requires a long period of time. The Company has set a business cycle of 10 to 15 years, and judges the business feasibility while taking into consideration changes in the market environment and other circumstances.
Ensuring business profitability	In addition to launching and selling eye care products on its own, the Company will engage in license-out, OEM contracts and other diverse business plans to ensure profitability.
Strengthen and expand the production system	Looking ahead to an increase in demand for generics and OEM contracts, we will focus on strengthening production capacity, aiming to build a high-quality, stable supply system.
Full-fledged global development	In addition to cooperation in the intraocular lenses (IOLs) business in Brazil and Indonesia, we aim to enter the EU market by strengthening our production capabilities, development capabilities, and sales network through Mono, which became a subsidiary of the Company.

Initiatives and Results in FY2024

- As part of our efforts to address a serious social issue of myopia among young people, we began Phase II clinical trials in Japan of ophthalmic treatment agent ROH-001, an ophthalmic solution to suppress the progression of myopia, in cooperation with Tsubota Laboratory, Inc.

Pipeline of Ophthalmology Area (as of May 2025)

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

*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 completed · ROH-201: P2b completed · ROH-001: P1 completed

Strengths and Advantages of the Medical Business	Regenerative Medicine Business and CDMO (regenerative medicine field)
Accumulated know-how in handling stem cells through research on cornea and skin stem cells in OTC drug development	Expansion of R&D area through reverse translational research (basic research based on findings gained in a clinical setting)
Development of our own serum-free Animal Origin Free (AOF) medium that does not contain any animal*- or human-derived components	CDMO system which provides a one-stop shop for the development and manufacturing of products

* The animals refer to Kingdom Animalia (including vertebrates and invertebrates, excluding protists).

Issues and Points to Focus

Development period and business profitability	Licensing out of regenerative medical products (10 to 20 years) and the associated contract manufacturing of products require long-term planning, while contract manufacturing of specific cell-processed products for medical institutions and peripheral businesses such as AOF medium, are relatively short-term businesses. Combining these businesses with different time frames and building a diversified portfolio that includes high-quality CDMO services, we will secure earnings in the regenerative medicine business.
Search for partners and strengthen collaborations	The Company will actively cooperate with universities, medical institutions, venture companies with proprietary technologies, and companies with development and sales capabilities in Japan and overseas. Through joint research and collaborative business creation, we work to strengthen our operating base.
Strengthen supply base	Through contracted CDMO utilizing in-house development, contract manufacturing of specific cell-processed products, and our technical know-how, we will expand our production system to support the spread of regenerative medicine, for which demand is growing, as a cell processing plant in Japan.

Initiatives and Results in FY2024

- The Company began sales of AutoloGel System, a wound treatment system for intractable wounds, which was the first product for the Company covered by insurance.
  Diabetic skin ulcer, a type of intractable wounds, is a disease that tends to develop on the foot. It is difficult to treat, and may result in amputation of the lower limb if it worsens. Offering this product as a treatment option, we will contribute to patients, their families, and those who provide healthcare.

PRP therapy and treatment kit

- Rohto Pharmaceutical's proprietary animal-origin free complete medium "R:STEM" became the first FIRM Mark certified in Japan.
- We established a research lab and office at Future Medical R&D Center in Nakanoshima Qross, which was selected for "Subsidy for the Osaka Future Medical Qrossover Project."
- We provided the cell preparation "ADR-001" in an investigator-initiated clinical trial using mesenchymal stem cells implemented at Showa University.
- "ADR-002K" began Phase II trials for patients with severe cardiac failure.
- We began Phase II trials for osteoarthritis using an allogeneic cartilage cell kit being developed by Interstem Co., Ltd., a subsidiary of the Company.

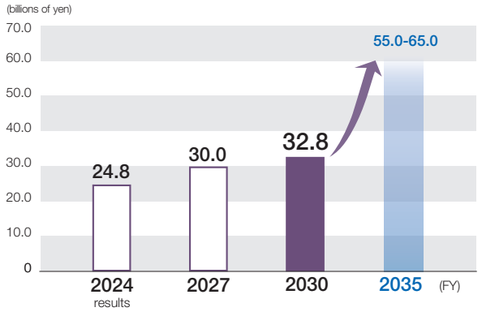
Pipeline of Regenerative Medical Products (as of May 2025)

Domain	Cell type	Code	Indications	Planned regions	Partners	Stage: Non-clinical	P1	P2	P3	Application	Current stage completion target*1
Regenerative medicine	Human adipose-derived stem cells	ADR-001	Cirrhosis of the liver	Japan	Shionogi						(P2 completed)
		ADR-002K	Severe cardiac failure	Japan							▸FY2029
		ADR-001	Kidney diseases	Japan							(P2 in preparation)
		ADR-001	Severe leg ischemia	Japan							▸FY2025
		ADR-001	Lung fibrosis	Japan							▸FY2025
	Human umbilical cord-derived stem cells	UDI-001	Neurodegenerative diseases	Japan							(P1 completed)
	Cartilage cell kit*2		Traumatic cartilage defects	Japan							(Application in preparation)
			Osteoarthritis	Japan							▸FY2027

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

Medium- to long-term strategy

Net Sales of Medical Business



* Medical Business: Total of Qualitech Pharma Co., Ltd., Rohto Nitten Co., Ltd., Ophthalmos S. A., Interstem Co., Ltd., and Rohto Cell Factory Tokyo Co., Ltd.

Accelerate overseas development through collaboration within and outside the Group

In addition to the intraocular lenses (IOLs) business developed in Brazil and Indonesia, we are accelerating our development in EU through Mono, which became a subsidiary of the Company. Leveraging Mono's experience in ethical drug business over 75 years, we will promote our entry into Europe through cooperation between the Company and Rohto Nitten Co., Ltd. In regenerative medicine, we will strengthen development in Southeast Asia with AOF medium as our core product.

Development of next-generation medicine to create the future

We are strengthening development in each business domain so that we can deliver new pharmaceuticals and treatment methods as soon as possible to patients waiting for treatment.

In the field of ophthalmic pharmaceuticals for medical use, ROH-001, an ophthalmic solution to suppress the progression of myopia, is in the Phase II clinical trial in Japan. It is said that the global myopia population will exceed 5 billion in 2050, and we will promote the development toward solving this major social issue.

In the regenerative medicine field, we will promote the development of regenerative medical products applied to such areas as knee cartilage, liver cirrhosis, and cardiac failure, focusing on ADR. We will actively explore and research potential new indications. In medical devices, in addition to ophthalmic products such as intraocular lenses and lacrimal duct tubes, we will promote the development of medical devices using new technologies such as regenerative medicine and digital medical devices.

By providing diverse solutions, we will address the needs of patients and healthcare setting, and actively promote the development of new proprietary technologies that integrate various solutions. In addition, by collaborating with venture companies and universities with proprietary technologies, as well as with medical institutions, we aim to create innovative products that cannot be achieved by the Company alone.

Full-fledged entry into the CDMO business using regenerative medicine and bio-cell processing technology

With the progress in development of regenerative medicine, cell therapies, and gene therapy products, both the global and Japanese markets are expected to expand. For the regenerative medicine industry to grow, it is essential to develop contract manufacturing bases. The Company will leverage its three strengths to accelerate the CDMO business, aiming not only to hone our own technologies but also contribute to the development of regenerative medicine in Japan. Furthermore, we will enhance our production capacity at cell processing facilities to build a structure that can flexibly respond to the expansion in contract manufacturing demand both in Japan and overseas.

Three strengths
1. Development and manufacturing of unique AOF medium
2. Self-supporting know-how that enables development of regenerative medical products, cell processing and applications for approval all in-house
3. Manufacturing bases located in East and West

Yoko Fujimoto
Managing Director and Chief Medical Officer (CMO)

Fusing our fundamental aspiration and cutting-edge technologies: Rohto Pharmaceutical's challenge to the medical business

The medical business mainly comprises new businesses such as regenerative medicine, ophthalmic solutions for medical use, and medical devices. As Rohto Pharmaceutical started out with gastrointestinal medicines and eye drops, the medical business is also the one that carries on the Company's fundamental aspiration to contribute to people's health. Since our founding, we have promoted what is now called "open innovation," in which we constantly adopt the latest science, cultivate it together with startups and academia, and contribute to people's well-being. The name Rohto Pharmaceutical is derived from the name of Dr. Rotmunnd, who was involved in the birth of our first eye drop.

Rohto Pharmaceutical has accumulated successes in various fields by identifying little-known but promising technologies, incorporating them into our business, and combining them to bring about new chemical reactions.

The current pipeline of the medical business is the result of leveraging these Rohto Pharmaceutical's strengths in the medical field. I believe this was something only a company like us could have achieved with its flexible and agile actions, not a globally operating mega pharma company.

The Medical business requires persistent efforts from a medium- to long-term perspective. We will work to deliver the outcome of our innovation to society as soon as possible, and make significant contributions to extending healthy life expectancy and well-being of people.

Development of feminine care products to support women's well-being

Recognizing that a woman's body and mind are greatly affected by hormone balance, the Company proposes solutions tailored to each individual with their life stages taken into account, such as menstruation, fertility, and menopause, to provide support so that they can lead lives actively. In 1985, we launched Japan's first over-the-counter pregnancy test kit. Since then, we have developed products that support women's health, such as pharmaceuticals and skincare products. In recent years, the Company has strengthened initiatives to address issues unique to women living in the modern age, such as the popularization of VIO hair removal and an increase in menstruation. In 2024, the Company launched "LABiOME," a cleansing agent for the intimate area inspired by the barrier function of lactic acid bacteria. We aim to establish a daily care habit with consideration for delicate skin concerns. In addition, the Company has been publishing the annual Fact-Finding Survey on Pregnancy since 2018, thereby focusing on activities to raise awareness. The Company holds the Women's Health Lab, a workshop to consider women's health and well-being with business partners, on an ongoing basis every year. Internally, the Company holds regular seminars on women's health for all employees. Through these and other measures, the Company is proactively implementing initiatives to support the well-being of women.

Showcased at Osaka Expo the future potential of eye care and the future society where regenerative medicine has become more familiar
Conveyed Rohto's future vision themed on eye health and regenerative medicine

The Company holds two exhibits at the Osaka Healthcare Pavilion in the Osaka Expo 2025, where it is introducing next-generation technologies related to eye health and regenerative medicine.

With a theme of the future potential of eye care, we introduce the following advanced self-care technologies.

We propose future personalized eye drops utilizing personal health records (PHR), an AI technology that estimates eye health scores from facial photographs, as well as care for mental health and brain through virtual reality. In line with the Expo's theme of "Designing Future Society for Our Lives," we encourage visitors to be aware of and take action on eye health. In addition, we sell three eye drops in limited packages to support the "habit of enjoying caring for the eyes" of children and their families.

In the "Future City Zone," we opened booths under the theme of "the Society of 2050, where regenerative medicine has become more familiar." At the booths, visitors can experience a simulated future city where regenerative medicine has permeated into their daily lives.

Supporting these visions is the evolution of cell culture technologies, which is a focus of the Company. At the venue, we introduce a next-generation automated cell culture technology system that is expected to be put into use in the near future.

Envisioning such a future, the Company will take on the challenge of realizing a society where people live healthily and beautifully through the twin pillars of regenerative medicine and self-care.

Rohto Kodomo Soft

V Rohto Junior

V Rohto Premium

Automated cell cultivation system of the future

Future Eye Care Station

@EXPO2025

Financial Strategy

Message from the CFO/Financial Strategy

To achieve our medium- to long-term vision, we aim to sustainably improve corporate value by strengthening our cash-generating capabilities, making growth-oriented investments and providing stable shareholder returns.

Masaya Saito
Executive Vice President
Chief Financial Officer (CFO)

Review of fiscal 2024

Fiscal 2024 was a year in which we implemented a strategic and aggressive financial approach to sustainably improve corporate value.

In order to vigorously build a foundation for medium- to long-term growth, we strategically expanded our business portfolio and proactively made large-scale investments with the aim of further enhancing our presence in the global market. Specifically, we made two large-scale M&A investments. We turned Eu Yan Sang International Ltd. into a subsidiary with the aim of strengthening our business base in Asia and establishing the Oral Medicine/Health food business as a new growth pillar under the concept of a "pharmaceutical company that does not rely on medicine," and we turned Mono chem-pharm Produkte GmbH into a subsidiary with the aim of expanding the drug and medical device businesses in the European market. Moreover, in order to strengthen our competitive advantage in core businesses such as eye care and skincare, we systematically promoted capital investment, including the enhancement of production facilities such as the renovation of the Ueno Plant, which is our mother plant.

As part of our financial approach for fiscal 2024, we issued Euro-yen-denominated convertible-bond-type bonds with share acquisition rights due in 2032 in order to efficiently raise the funds necessary for aggressive growth investments while maintaining financial soundness. These funds were used to repay borrowings related to the acquisition of Eu Yan Sang International Ltd. and to acquire treasury shares for the purpose of improving capital efficiency, thereby contributing to the soundness of our financial base and securing funds for further growth investments in the future.

Furthermore, in line with our policy of stable and continuous shareholder returns, we increased the annual dividend by 9 yen from the previous fiscal year to 36 yen. Meanwhile, we strove to reduce cross-shareholdings to lower cost of capital by closely examining the importance of cross-held shares on an issuer-to-issuer basis.

Medium- to Long-Term Growth Strategy

In May 2025, we announced our first ever Medium- to Long-Term Growth Strategy. It presents specific strategies for realizing a sustainable society in which people can live healthy and happy lives, which is the goal of the "Rohto Group Comprehensive Management Vision 2030," as well as milestones for the next 10 years (2035).

We expect to achieve net sales of 365.0 billion yen and operating income of 46.0 billion yen in fiscal 2027, which is three years from now, and net sales of 415.0 billion yen and operating income of 54.0 billion yen in fiscal 2030, which is six years from now. We will continue to actively make growth investments and infrastructure investments for the future, and promote the strengthening of long-term growth foundations. At the same time, by demonstrating resilient profitability, we expect to achieve a ratio of operating income to net sales of 12% or more and an EBITDA margin that improves year by year from 16.9% in fiscal 2024 to 18% or more in 2030. In terms of efficiency, we will secure ROE of 10% or more and simultaneously achieve a sound financial structure, growth investment, and higher shareholder returns.

Our cash allocation policy is to strategically allocate cash generated primarily from our core businesses to growth investments and shareholder returns.

Growth investments will include continuous investments to strengthen existing core businesses such as eye care, skincare, and oral medicines and health food, as well as investments in the ophthalmology area, regenerative medicine-related technologies, contract development and manufacturing organization (CDMO) that leverages our unique development capabilities, and global market expansion. In concrete terms, we will develop sustainable growth drivers through strategic R&D to create innovative technologies and science, capital investments to strengthen production and supply systems to meet growing demand, DX/IT investments to improve company-wide productivity, and M&A aimed at expanding our business portfolio and developing new global markets. We believe that these investments, coupled with the strengthening of non-financial capital such as human capital and sustainability-related assets, will lead to medium- to long-term growth and improved cash-generating capabilities.

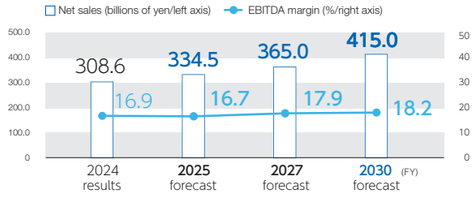
The Company's growth strategy for achieving the medium- to long-term vision should be promoted by integrating financial and non-financial strategies. Rather than simply pursuing financial numerical targets, we aim to create value by strengthening non-financial capital in areas such as sustainability, corporate governance, and diverse human resource development.

In addition to changes in market conditions and financial values, non-financial values such as sustainability and customer loyalty are taken into consideration when making investment decisions on businesses. We view each business cycle as 2-3 years for cosmetics, 3-5 years for OTC drugs, 10-15 years for ethical drugs, 2-10 years for food products, 10-20 years for cell therapy, and 3-5 years for CDMO, and make decisions based on whether they will lead to sustainable growth and increased corporate value for the Company.

With regard to shareholder returns, we will emphasize stable and continuous returns from a long-term perspective, and strive to enhance returns to shareholders by continuing to pay dividends in line with profit growth. Our policy is to steadily and progressively increase dividends, aiming for a consolidated dividend payout ratio of 30.0% or more and a DOE (dividend on equity) of 3.5% or more, while taking into consideration the status of business performance, changes in the business environment, and the balance with medium- to long-term growth investments. We will consider and implement the acquisition of treasury stock after comprehensively considering factors such as the optimization of our capital structure, investment projects, and the Company's evaluation in the market.

In addition, to build relationships of trust with shareholders, investors, and other stakeholders, I, as CFO, and the person in charge of IR will continue to hold dialogues in a variety of ways, and through appropriate information disclosure and deepening of mutual understanding, we will reduce cost of capital and enhance corporate value.

Net Sales and EBITDA Margin



Dividend payout ratio	Ratio of R&D expenses to net sales	DOE	ROE
30% or more	Up to about 5%	3.5% or more	10% or more

Cash Allocation (Six Years from 2025 to 2030)

Inflows: Fundraising (20 billion yen); Operating Cash Flow (before R&D expenses) 330 billion yen

Outflow

Uses		Amount	Policy
Growth investments	Capital expenditures	100 billion yen	• Expand overseas production facilities to meet growing demand • Head Office Factory Renovation • Expansion of Eye Care Production in China
	R&D expenses	90 billion yen	• R&D Investment to Further Accelerate Core Business • Strengthen materials development and Rohto Science capabilities • Invest in regenerative medicines and medical eye drops, which are the next pillars
	DX/IT investments	30 billion yen	• DX/IT Investment to Increase Productivity per Employee
	M&A investments	50 billion yen	• Strengthen business foundations, achieve business synergies, and enter new fields
Shareholder returns	Shareholder returns (dividends, etc.)	80 billion yen	• Dividend Payout Ratio of Over 30% and a DOE of Over 3.5% • Increase dividend in line with medium- to long-term profit growth • Provide stable and continuous shareholder returns

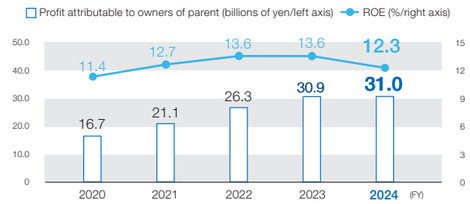
Financial Strategy to Support Improved Corporate Value / Financial Highlights

Rohto's financial policy is based on the pursuit of operations that simultaneously achieve a sound financial structure, growth investment, and higher shareholder returns. This approach enables us to respond effectively to unpredictable changes in the business environment with the aim of stably generating high earnings and sustainable enhancement of corporate value over the long term.

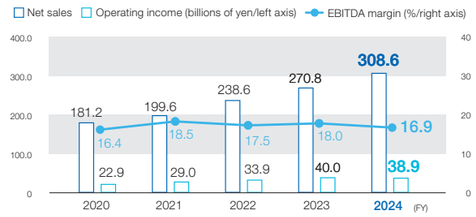
Strengthening cash-generating capabilities

In order to strengthen our cash-generating capabilities, we will deploy science-based thinking not only in R&D but also as an approach that involves company-wide transformation, thereby promoting the enhancement of the competitiveness of our core businesses. This will further strengthen the Company's strengths, such as product and service development capabilities, production capacity, and global marketing and sales capabilities. Another important measure from fiscal 2025 onward will be to address rising costs, such as rising raw materials prices, and improve profitability by appropriately reflecting the provision of higher value in prices. Through these initiatives, we aim to increase our cash-generating capabilities, which are necessary for sustainable growth, and we expect to generate operating cash flow of 240.0 billion yen over the 11 years from 2025 to 2035.

Profit Attributable to Owners of Parent and Return on Equity



Net Sales, Operating Income and EBITDA Margin

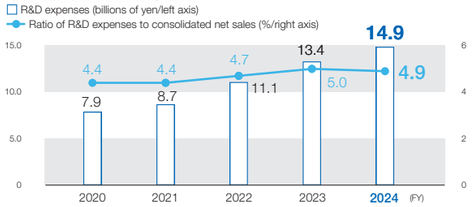


Balancing active growth investments and a sound financial structure

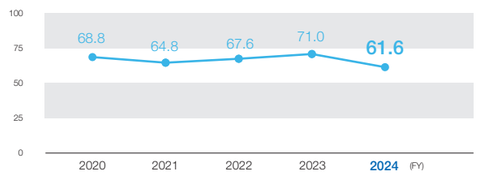
We will actively promote R&D investments, capital investments, human resource investments, and DX investments in order to achieve organic growth and sustainable improvement in corporate value. We will continue to invest approximately 5% of sales in R&D and implement capital investments to meet expanding global demand and strengthen supply chains. We will also achieve mutual growth for the Company and individuals through investments in human resources and DX, and improve productivity per employee. In addition, by actively pursuing M&A, we will acquire new technologies and management resources, create synergies with existing businesses, and strengthen our scientific capabilities in both existing core domains and new domains.

Although free cash flow was temporarily negative in fiscal 2024 due to large-scale investments, we generated operating cash flow of 36.9 billion yen (34.2 billion yen in the previous fiscal year), and simultaneously realized high growth rate, capital efficiency, and a sound financial structure, with a net sales growth rate of 14.0%, an equity ratio of 61.6%, and ROE of 12.3% (five year average of 12.8%).

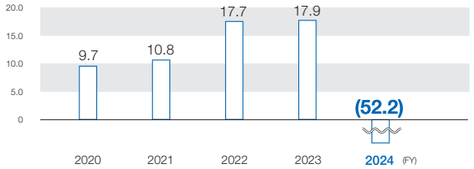
R&D Expenses and Ratio of R&D Expenses to Consolidated Net Sales



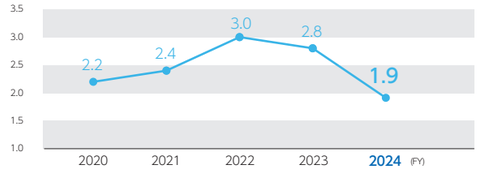
Equity Ratio (%)



Free Cash Flow (FCF) (billions of yen)



Price-Book Value Ratio (PBR) (times)



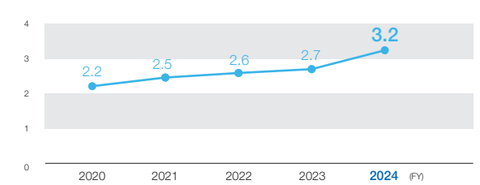
Stable shareholder returns

We will prioritize the allocation of generated cash flow to growth investments in order to strengthen our business foundation and improve capital efficiency over the medium to long term, which will ultimately contribute to the sustainable improvement of corporate value.

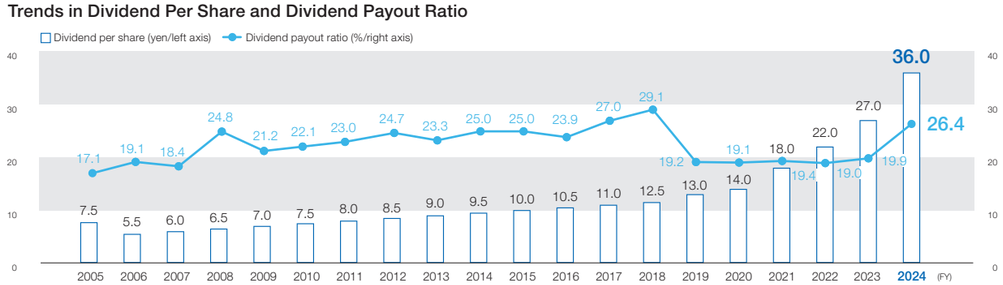
With regard to shareholder returns, our basic policy is to steadily and progressively increase dividends while taking into consideration our financial position after growth investments and future investment plans, aiming for a consolidated dividend payout ratio of 30.0% or more and a DOE of 3.5% or more.

In fiscal 2025, we plan to increase dividends by 6 yen (to an annual dividend of 42 yen), and aim to achieve stable and continuous improvement in shareholder returns.

Dividend on Equity Ratio (DOE) (%)



Trends in Dividend Per Share and Dividend Payout Ratio



Human Capital Enhancement

Message from the CHRO

Maximizing human capital "Mutual growth of the Company and its members" to realize sustainable value creation

Yasunori Kawasaki
Director Chief Human Resources Officer (CHRO)

Our Comprehensive Management Vision for 2030 is "Connect for Well-being," and we have positioned human resources at the core of value creation. We aim to realize a sustainable society in which the Company and its members grow together by maximizing the potential of each and every member and developing "human resources capable of adapting to uncertain times."

In order to respond to an increasingly competitive environment and diversifying social issues, we are working to expand our businesses, enhance our research base, and strengthen partnerships in Japan and overseas. The personnel system that supports these efforts is built around the ideal of an organization that provides all members with the opportunity and environment to become "Professional SHIGOTONIN" –proactive professionals with responsibility who continue to learn with aspirations, boldly take on new challenges, and create new value for society. Over the past two years, with the aim of firmly embedding this system, we have repeatedly engaged in careful dialogue with our members and each department, and the management team of our members has been united in its efforts. As a result, the engagement has steadily improved, as shown by the increase in indicators such as "Well-being Points (WBP)," which visualize the members' "realization of well-being through business," and "Rohto Value Points (RVP)," which visualize the value of work. As such, we feel that we are achieving significant growth. These are important management indicators that link management strategies with human resources strategies and accelerate the growth of the entire organization.

On the other hand, rapid adaptation to environmental changes, the exploration and exploitation of knowledge, and business transformation have become important issues. In order for our members to learn autonomously and advance their career development, we have established a learning platform and offer a variety of training and career support programs. Moreover, we are diversifying recruitment strategies and promoting the creation of an organization in which human resources with differing backgrounds can make the most of their abilities.

Furthermore, based on the belief that our members health is an important foundation for spreading well-being throughout society, we have long been engaged in health and productivity management. Health and productivity management has evolved year by year, and is currently being rolled out across the entire Group. By utilizing data from activity monitors and health indicators to improve the fitness age of our members, we are also working to address the rising average age and health risks. In addition, by promoting the well-being of our members based on mental and physical health and fostering "autonomous healthy human resources," we aim to expand health value to families, local communities, and the next generation.

At the same time, we are focusing on promoting diversity, equity, and inclusion (DE&I), introducing flexible workstyles, and creating workplaces with high levels of psychological safety, in an effort to strengthen our competitiveness by leveraging diversity. Through these consistent measures, we will sincerely address the growth, job satisfaction, and mental and physical health of each and every member, and achieve sustainable growth for the organization.

Creating an environment in which the members can continue to take on challenges and grow into "human resources capable of adapting to uncertain times" is the most important factor in supporting the sustainable growth of the Company. We will drive business growth through effective investment in human capital and further deepen "mutual growth of the Company and its members" based on respect for each individual. I believe that our members' challenges are the driving force behind achieving both corporate growth and the creation of value for society.

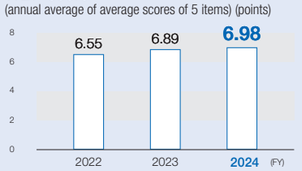
We view the passion and aspirations of each and every member as "the most powerful force for shaping the future." There is no single correct answer, and we will always address diverse individuals and promote "well-being management with the participation of all members" that maximizes their potential, thereby contributing to the realization of a sustainable society with well-being.

WBP

"Report Card from Members to Management"

In order to regularly understand the well-being of each and every member, a Well-being Points (WBP) evaluation reflecting the ideas we value in our daily work, "ROHTO's Seven Pledges," is conducted every six months for all members on a ten-point scale. The score is not just an engagement survey, but also an important management indicator for addressing individual "happiness." Based on these numerical values, we are able to promptly address issues, engage in dialogue, and plan and implement measures.

WBP score
(annual average of average scores of 5 items) (points)

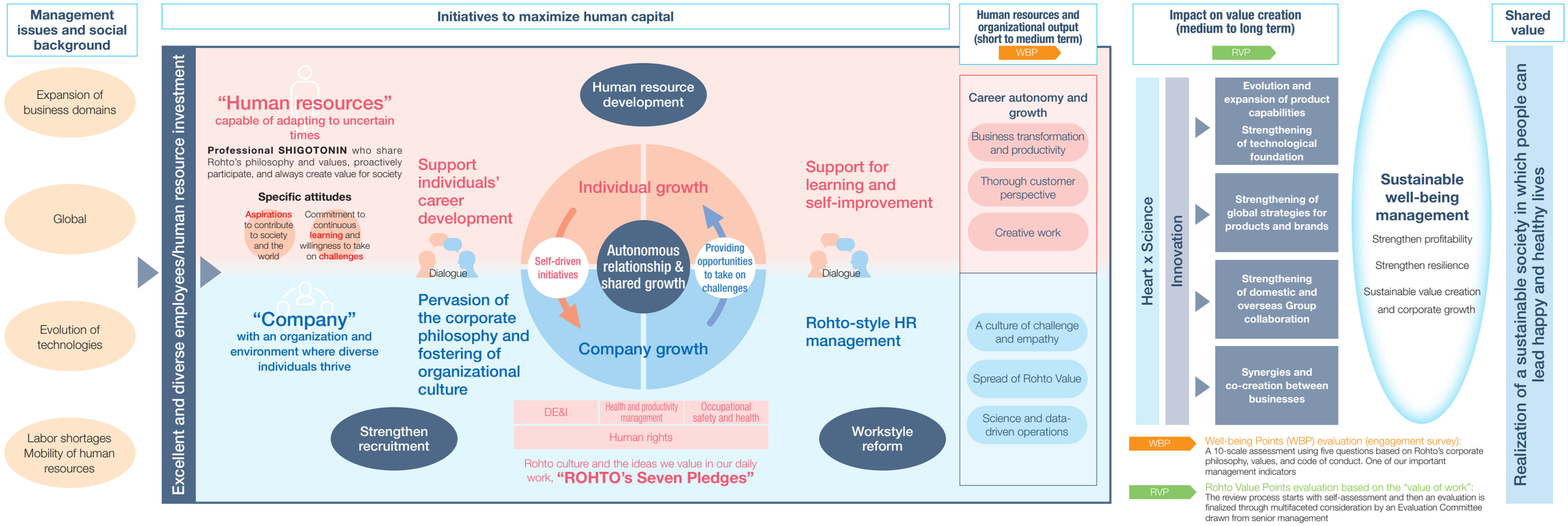


RHOTO's Seven Pledges

Initiatives for "Mutual growth of the Company and Employees (Individuals)" to Maximize Human Capital

Rohto's value creation model based on human resources, which are the source of value creation

Our human resources are the source of our value creation, and this has been a part of our DNA since the Company's founding. By working closely with diverse individuals and creating an organization and environment that fosters aspirations and challenges, we will maximize the capabilities of each individual, drive the Company's growth, and create a virtuous cycle of sustainable value creation and corporate growth, thereby contributing to the realization of a sustainable society with well-being.



Support individuals' career development

Believe in and expand your own potential

- **Evolution of secondary employment and concurrent positions (career ownership) since 2016**
  Based on the systems, which employees use of their own volition, employees can take on External Challenge Work (secondary employment) and Internal Double Jobs (concurrent positions), which contribute to the enhancement of employee experience by allowing individuals to gain plenty of work experience and learn from it.
- **"Asuniwa project" supporting entrepreneurs within the Company and encouraging the entrepreneurial spirit since 2020**
  This system promotes entrepreneurship and encourages members to address social issues and consider their missions. Decisions are made through internal pitch competitions and crowdfunding. It also helps foster an entrepreneurial culture throughout the workforce.
- **Training on career-related issues by generation (money, life careers, etc.)**
  We support the career autonomy of each individual, focusing not only on their career but also their overall life.

External Challenge Work (secondary employment)	Internal Double Jobs (concurrent positions)	Asuniwa project (support for entrepreneurs within the Company)
Total from FY2016 to FY2024: 182 people FY2024: 17 new people	FY2024: 207 people	Incorporation 9 businesses (1 internal business) (as of April 2025)

Support for learning and self-improvement

Willingness and attitude to always keep learning

- **Accumulation of knowledge through "Rohto Academy" (self-study support platform)**
  By enhancing the learning platform, we support proactive learning that enables employees to gain insight into the future, realize autonomous careers, and sustainably create value for society. We aim to evolve the platform into a learning environment run by employees, for employees, and are promoting the recruitment of in-house lecturers through self-recommendation or recommendation from others. In the first six months after its launch, 33 courses taught by in-house lecturers were made available.
- **Responding to change and strengthening the creation of new value**
  Rohto Academy training is implemented with the aim of improving the competitiveness of the entire organization by having all employees acquire data utilization skills and become DX human resources who can drive business transformation.

Rohto Academy	Investment in training
Number of participations in autonomous learning programs in FY2024: 3,712 times	110,201 yen/person

Rohto-style HR management

Establish and strengthen systems to support shared growth

- **Personnel transfers and organization building through dynamic human resource management**
  The Human Resources Development Committee consisting of senior management checks the "My Vision Sheets" of all employees, which detail the positions each member wishes to fulfill as well as the associated career plan, and selects and appoints members based on comprehensive consideration of experience, the timing, and the strategic deployment of human resources.
- **"Sottaku no Kai," a program to foster next-generation executives**
  The program seeks to enhance managerial perspectives through dialogue with executives and discussion among prospective executives.
- **"Feedforward interview" (future-oriented interview)**
  Interactive interviews with superiors are held to help individual employees realize autonomous career development, looking to the future.

Pervasion of corporate philosophy and fostering of organizational culture

Equal relationships

- **Turning improvements into a culture for the entire organization**
  Based on the principles of "manufacturing is about developing people" and "tomorrow will not continue on the same path as today," we began improvements at production sites in 2005. Now, we are expanding and implementing these improvements in all departments across the Company.
- **ASK (Thinking about Tomorrow's Society) Project (2024)**
  With employees' thoughts on social issues as the starting point, volunteers implemented repeated discussions and surveys, and with the involvement of management, realized measures to promote diverse workstyles, regional cooperation, and social contribution.
- **Worldwide meetings (roundtable meetings of overseas Group companies)**
  Placing importance on autonomous management at each of our sites around the world and relationships of trust based on the Group philosophy, we work to create synergies through the sharing of achievements beyond borders and exchanges of views at worldwide meetings held twice a year.

Winner of "Hataraku Well-being AWARDS 2025 (Organization/Group Category)"
Rohto's multifaceted well-being management, which is made possible through highly effective human resource measures, was highly praised.

はたらく Well-being AWARDS 2025 by PERSOL

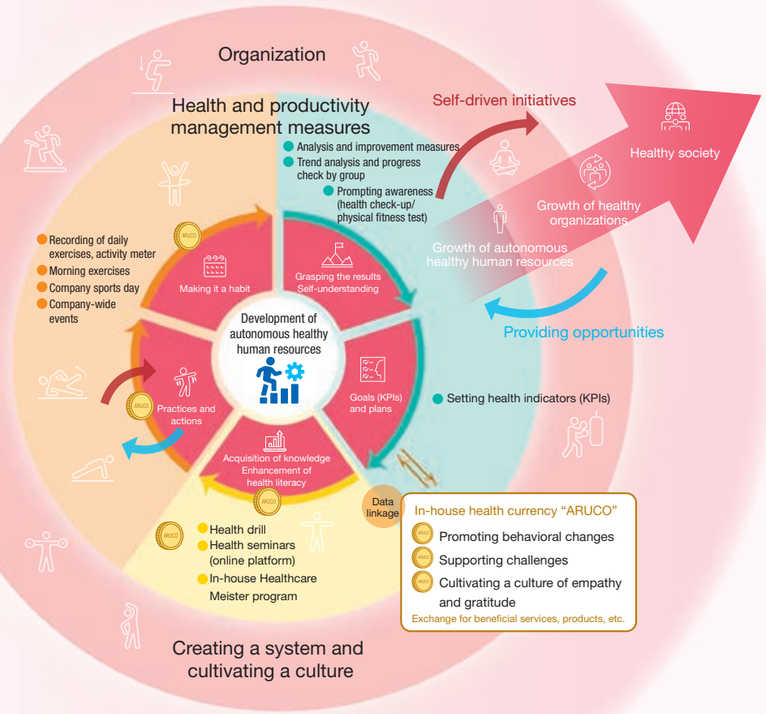
Health and Productivity Management, Occupational Safety and Health, and DE&I

Since its foundation, the Company has focused on health and productivity management, believing that the health of its employees lies at the foundation of sustainable corporate growth. We established the Health and Productivity Management Declaration in 2018, and we are implementing various measures to ensure that employees can bring passion (a sense of meaning in their jobs and their lives) to their daily work based on mental and physical health. The Company provides employees with opportunities to take the initiative with regards to their health, and focuses on developing "autonomous healthy human resources" who implement the PDCA cycle. These initiatives have taken root as part of our organizational culture, and we aim to turn them into a driving force for spreading health value throughout society.

"Working brings health benefits"

Developing "autonomous healthy human resources" and building an organizational ecosystem that fosters a culture of well-being, promoting the value of health to society

Rohto's Health and Productivity Management



Establishment of New Health KPIs

Looking ahead to 2030, we have introduced four new indicators related to improving mental health, in addition to the eight existing health indicators, setting 12 health KPIs and targets aimed at achieving both mental and physical well-being. In addition to improving physical health and lifestyle habits, such as by preventing metabolic syndrome, we will further focus on mental health through feelings of gratitude, learning, and workstyle reform, and promote the well-being of employees from multiple angles.

12 indicators that form the basis of health

Physical	Mental
Overcoming metabolic syndrome	Use of 39 (Thank You) Messages*
Improvement of anemia	Learning implementation
Comprehensive fitness age	Zero overtime
Smoking rate of 0%	Utilization of consecutive paid leave
Appropriate alcohol intake	
Sleep satisfaction	
30 minutes of exercise at least twice a week	
8,000 steps in 20 minutes of brisk walking	

* An internal messaging tool for members to exchange appreciation

Expanding Health and Productivity Management to the Entire Group

The Rohto Group Health Insurance Society was established in April 2022 to expand health checkups for employees and their families and promote the visualization of health data. Through the introduction of "W-UP," an original health app, as well as non-smoking programs and walking events, we are promoting collaborative health throughout the Group and endeavoring to maintain and improve the health of employees.

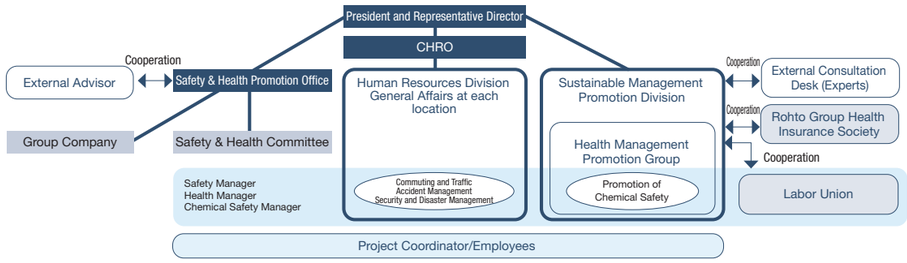
External Evaluation

In March 2025, Rohto was selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a **KENKO Investment for Health Stock Selection** for the second time, and certified as a **White 500 Certified Health & Productivity Management Outstanding Organization** for the eighth time in five consecutive years. In February 2025, Rohto was certified as a **Sports Yell Company 2025** by the Japan Sports Agency. Having been certified more than eight times and also achieving a weekly sports implementation rate of at least 70% of employees, Rohto gained **"Silver +"** certification.

Moreover, in August 2024, the menu at our head office cafeteria (SHiDAX CONTRACT FOOD SERVICE CORPORATION) received **the highest three-star Smart Meal certification (standard: "Shikkari") (meaning "solidly" or "substantially")**.

System: Promotion of Health and Productivity Management and Occupational Safety and Health

Under the responsibility of the President and Representative Director, the entire Rohto Group promotes health and productivity management and works to improve the occupational safety and health environment. Initiatives related to health are led by the Health Management Promotion Group, which cooperates with various internal departments and external experts to promote employees' health. In addition, the Safety & Health Promotion Office takes the lead in improving the occupational safety and health environment, supporting sustainable growth and creating an environment where employees can work with peace of mind.



DE&I

We are creating an environment and corporate culture in which diverse human resources can thrive, actively promoting diversity, and promoting the creation of a workplace with a high level of psychological safety.

Priority issues	Promotion of women's active participation, globalization, promotion of senior human resources' active participation, employment of people with disabilities, LGBTQ+ initiatives, promotion of diverse workstyles

Promoting women's active participation

Women account for approximately 60% of our employees, and for many years we have been focusing on creating an environment in which women can actively participate with peace of mind. In addition to childcare leave, enhanced support for balancing work and family life, and childcare facilities at plants, we have developed diverse support systems, such as free gynecological examinations and the provision of nursing care leave, and promoted the active participation of women for many years. As a result, the ratio of women in management positions is now at a high level of over 30%. We are not satisfied with the current situation, and are focusing on further human resource development. In the future, the development of women at the executive level will be a challenge, and we will create opportunities for dialogue and communication with female executives to support their career development. We will continue to promote the creation of an organization in which all employees, regardless of gender, can play active roles.

LGBTQ+ initiatives

We are working to improve the environment by introducing a same-sex partner registration system and formulating Action Guidelines on Diversity of Sexual Orientation and Gender Identity. Our internal community regularly holds activities related to LGBTQ+ and SOGI. We are also actively promoting diversity and raising employee awareness, such as through video training and encouraging HR coordinators to take external training courses. We have received silver certification in the PRIDE Index 2024, an index developed by the work with Pride Association to evaluate LGBTQ+ initiatives in the workplace.

Rohto logo with rainbow hearts: Expresses our support for the LGBTQ+ community and our inclusive approach

Globalization

We promote the appointment of global human resources and internal inclusion, placing emphasis on strengthening our global customer perspective and on teamwork to create new value, products, and services.

▼ Training for intercultural understanding (for new employees)

We conduct training aimed at developing global human resources and improving organizational capabilities that leverage diversity.

▼ Practical intercultural working program "Communication & Work Challenge"

We implemented a two-month practical work training program for groups with mixed nationalities. We are also expanding our efforts to foster a global perspective within the Company, such as by disseminating content that promotes intercultural understanding.

Employment of people with disabilities

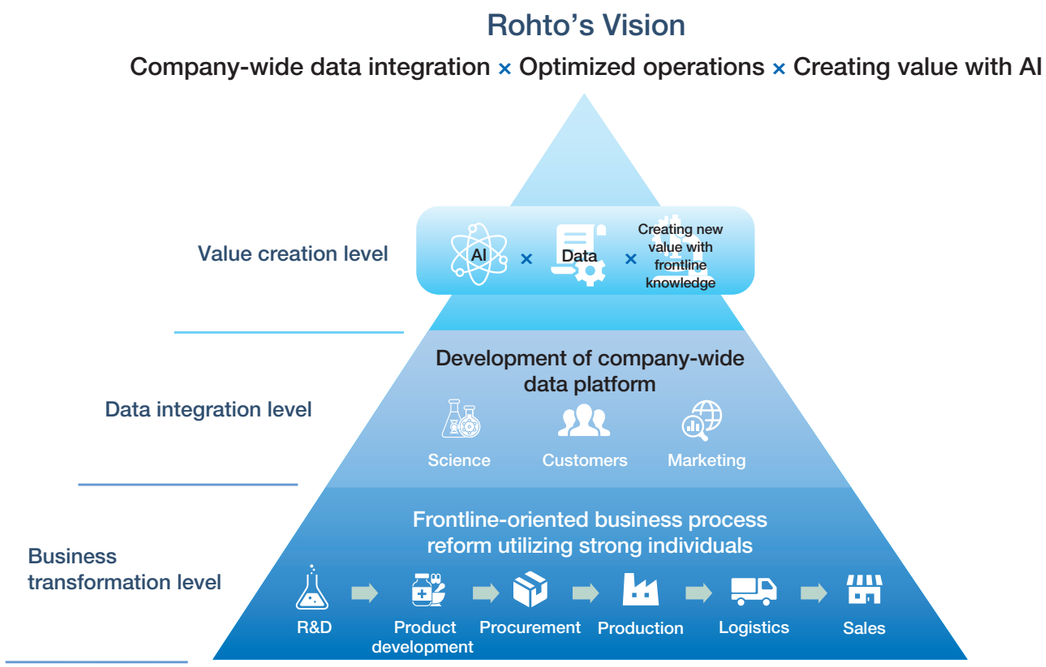
We are promoting the creation of an environment in which individuals can maximize their abilities, regardless of whether or not they have a disability. In addition to creating employment through the use of satellite offices tailored to individual needs and promoting the expansion of job categories with an emphasis on individual growth, we are also working to create a corporate culture that enhances psychological safety through internal communications on inclusive initiatives.

DX Enhancement Strengthen the foundations for growth with latest technologies and digital utilization

World-leading Value Creation, Manufacturing, and Human Resource Development

In order to continue providing "well-being" to society, the Group has positioned the utilization of cutting-edge digital technologies, including AI and robotics, as an important issue in its management strategy. We are focusing on the development of human resources with digital expertise who can create value autonomously, in addition to maximizing the power of "strong individuals" under the leadership of frontline and consistently reforming business processes from research and development to sales. We will also develop a solid platform where diverse information assets are utilized across the Company, in a global and cross-sectional manner. Fusing frontline knowledge, we will continue to take on the challenge of providing innovative value in the healthcare domain, aiming to create new business models such as digital healthcare.

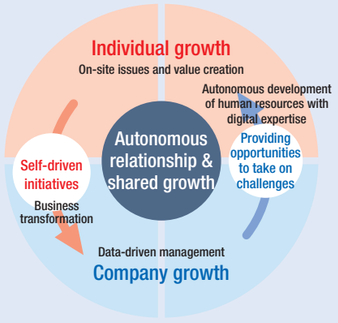
Overview of DX supporting Connect for Well-being



"Digital" promotion and business transformation led by frontline members

The Company aims to improve corporate value through the active utilization of AI and other advanced technologies, as well as the development of human resources with digital expertise so that frontline employees promote business transformation on their own. In the promotion of digital transformation, all employees, not limited to certain specialist departments, review the value of frontlines and operations and their work styles. We place emphasis on maximizing results from the perspectives of both frontlines and management. Each department, including research and development, production and procurement, sales, and corporate, flexibly selects and utilizes diverse digital tools, including "Rohto Copilot," an in-house developed AI, according to their operational characteristics and objectives.

These tools not only improve operational efficiency, but also contribute to improving operations in line with frontline needs, enhancing the skills of each employee, and promoting proactive innovation. Through these initiatives, we aim to create new value and strengthen the foundation for sustainable growth.



Next-generation Smart Factories to Change the Future of Manufacturing

Cyber-Physical System (CPS) optimizes the entire value chain and responds to uncertainties

The Company is taking on the challenge of improving corporate value and transforming manufacturing through investing in digital technologies and equipment and promoting DX at manufacturing sites. The new plant building, which began operation in 2022, is built upon the concept of a "people- and environment-friendly smart factory." Aiming to improve productivity and create a workstyle that enables people to thrive, our initiatives to consider implementing a cyber-physical System (CPS)*1 that utilize I/IoT and AI are steadily yielding results. Based on these results, we achieved the system operation of CPS2.0 throughout the Company's mother plant (Ueno Techno Center) as Phase 2.

In fiscal 2024, real-time production performance data, production and procurement plans for the next day and beyond, and raw materials loading (receiving) operations using network cameras were automatically converted into data, and the flow of people and goods was optimized based on the analysis results. This enables data linkage between the raw materials loading plan and the warehouse, and automatically optimizes the layout in the warehouse at night, thereby shortening the receiving operation time on the next day.

In addition, the Company automated and optimized the inventory transfer plan for raw materials stored inside the plant and in external warehouses, and reduced the operation time for planning, as well as transportation, conveyance, and energy costs. Linking information on production, inventory, and truck location, and automatically repeating calculations for optimizing them have increased plant throughput*2, while also achieving shortened production lead-time and yield improvement.

Going forward, we will apply these results to the entire supply chain, and also further promote data linkage with business partners and increase operational efficiency. By promoting cooperation with global partners outside the Group in Japan, and sharing data with external business partners, we aim to enhance sustainability and value of the entire value chain.

*1 A CPS is a system that collects various data from physical space (real space) using sensor networks, etc., and analyzes and converts the data into applicable knowledge by leveraging large-scale data processing technology, etc. in cyberspace (virtual space). The information and value thus created can be used to revitalize industries and address social issues.

*2 Plant throughput: The total amount of products produced by a plant during a certain period of time (per unit of time).

Robots automatically supply products and clean up empty containers.

When the pallets become full, they are transported to the warehouse by unmanned vehicles.

R&D

All-hands development to fuse technologies based on knowledge from different fields
Innovative business reforms and creation of new innovative value

The Company utilizes digital technologies to increase efficiency in research and development and create technologies for innovative value. In addition to operating an in-house AI and a system specialized in searching research papers, we are working to build a data science platform and promote its application to basic research. Specifically, we have achieved outcomes such as research results showing the effectiveness of data-driven analysis and computer simulations using mathematical models (see TOPIC on the right), as well as the efficiency of gene analysis. In the future, aiming to expand data science across the Company, we will strengthen collaborations among different divisions, and promote product development with a view to the global market.

We are also in the process of target search and algorithm development through joint research with universities and partnerships with venture companies. We will continue promoting the active use of the latest and digital technologies that help create well-being for customers.

TOPIC

PICK UP Research released in 2024

Identified effective targets for skin aging using data science

(Joint research with Institute for Protein Research, The University of Osaka)

Through an industry-academia collaboration, we discovered "THBS1," a new target for controlling skin aging, based on a mathematical model and advanced analysis. Based on data science and leading-edge research, we will provide new insights to areas that have been left without solutions, thereby delivering new value to address concerns held by customers.

R&D release (Japanese only)

Intellectual Capital Enhancement

The Rohto Group believes that intellectual property will play an increasingly important role in creating new value. Positioning intellectual property as an important management resource, we are working to strengthen our global intellectual property capabilities in order to create new value and lead the Group to sustainable growth. In this way, we will contribute to the realization of a sustainable society.

Portfolio Construction

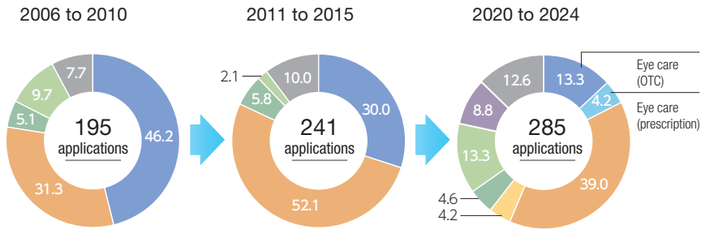
With health as the core value of our business, we have continuously faced changes in society and our customers and continued to create value. Starting with the establishment of a healthcare business centered on eye care, we have seen the growth of our functional cosmetics business, and now we are moving forward with management based on more business pillars. At the same time, our intellectual property activities are also evolving in many ways. In recent years, we have increased the number of patent applications for food products, regenerative medicine, and hair care products. We will strategically build an optimal portfolio and strive to strengthen our future competitiveness.

The number of patent registrations is increasing in line with overseas development of the eye care business. We are strengthening our presence not only in Asia, where we have been developing business with V-Rohto, but also in Europe and the Middle East, where we have recently begun to make inroads.

Overseas, we are steadily making appropriate investments each year and implementing intellectual property strategies to cater to overseas needs, such as for tear film stabilization and preservative-free products, including the development of containers for these purposes.

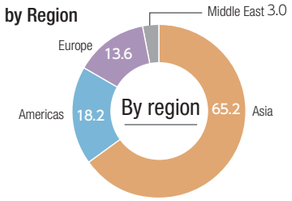
Number of Patent Applications

* From January to December



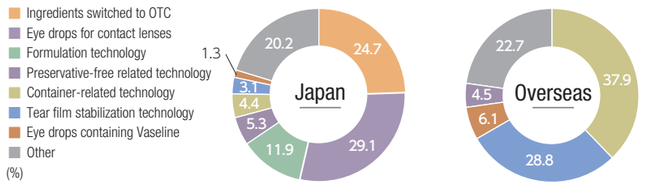
Patent Registrations by Region

* Patents valid as of December 2024 (%)



Patent Registrations in Japan and Overseas by Category

* Patents valid as of December 2024

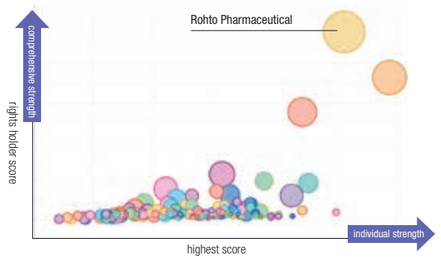


Strengthening Core Technology and Product Commercialization Technology

By taking on the challenge of research and development ahead of other companies, we have improved our technological capabilities and product capabilities as the source of our competitiveness. Through these efforts, we have been able to hold highly useful patents. We will continue to create products that not only ensure the efficacy and safety of our products and the stability of our formulations, but also pursue the comfort and convenience of our customers and patients. In order to continue to be a company that is supported, we will appropriately protect and use technologies that is needed to be protected.

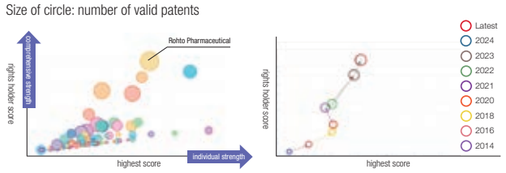
Ophthalmological Medicine Patents

Size of circle: number of valid patents



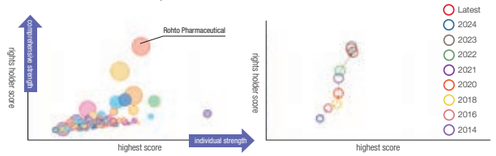
Cosmetics x Ascorbic Acid (Vitamin C) Patents Held

Size of circle: number of valid patents



Cosmetics x Hyaluronic Acid Patents Held

Size of circle: number of valid patents



* 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. (as of July 2025)

Strengthening Brand Value—Protecting Interests

We are promoting our brands around the world through localization to suit the circumstances of each country and region, while always retaining the core values and other attributes of the brand.

In order to thoroughly protect the value we promise our customers through our brands and to actively foster our brands, we are vigorously pursuing acquisition of major trademarks and designs as well as brand protection. All these activities also help protect our interests.

Building Intellectual Property Rights Globally

Implementation of Patent Marking

In the United States, the Company started patent marking on eye drop products. By making the rights to formulation and container patents open, we are working to strengthen the utilization of those rights.

Brand Protection—Protecting Safety of Customers and Trust in Rohto

As the number of brands that are widely loved by customers has increased, and the world's commercial flow has changed significantly with the emergence of many platforms that allow people to easily sell products to anyone anywhere in the country, now the damage caused by counterfeit products has become a major social issue. To ensure that all customers can use our products with peace of mind, we take a resolute stance against counterfeiting and work together to address this issue as an industry-wide problem. This not only protects and prevents damage to our brands, but also minimizes health damage to our customers. We want to offer a daily life filled with "surprise" and "joy." This idea is at the base of our manufacturing. Our brands are important assets that have grown through the gratitude and encouragement we feel from the "happy surprise" testimonials of our many customers. We will continue to listen to the voices of each and every customer and work hard every day to maintain trust and a sense of security in our product brands.

Turning Intellectual Property into Customer Value

The Group has continued developing technologies with customers' needs in mind. Patents based on science with the perspective of customers, such as "ease of drinking," "ease of application," and "ease of use of containers," are also the assets of the Company. Having patents understood as corporate assets throughout the Company, we are working to deliver them to customers. We aim to achieve well-being by turning patents into customer value.

Open Innovation—Resolving Social Issues through Collaboration

We license our patented technologies to contribute in solving social issues by using our technologies to drive innovation in various fields. Based on the technologies we have accumulated so far, we will develop new businesses in collaboration with partners and contribute to the realization of a world of well-being.

Manufacturing Capital Enhancement

In fiscal 2024, we significantly strengthened our production capacity by adding subsidiaries through M&A. In addition to preparing for the creation of new demand, we will accelerate improvements in production efficiency and quality through the creation of synergies between production sites, which will also lead to strengthened resilience and cost reductions.

Rohto Group's major production sites

Major production sites (Pharmaceuticals and Skin Care Products) * **27** locations

*The Group also has five food plants and three CPC plants (cell processing centers).

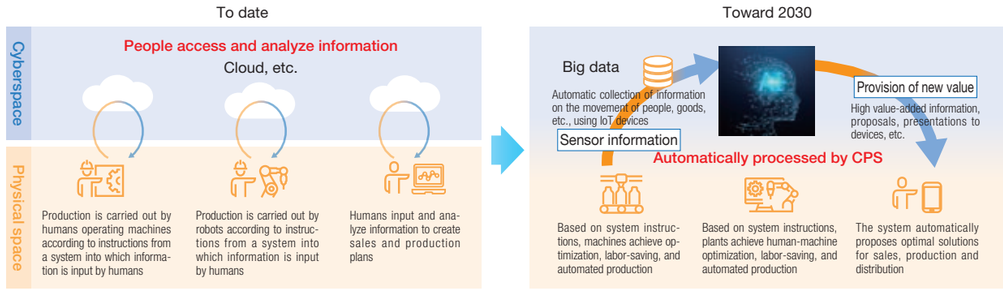
Japan Promoting Automation at Our Mother Plant

The Rohto Group's mother plant, Ueno Techno Center, commenced operation of a new facility, Building C, in September 2022. As a result, Ueno Techno Center's production capacity has increased. As a smart factory that is friendly to people and the environment, Ueno Techno Center aims to reduce environmental impact, ensure safety, and improve efficiency. In fiscal 2024, we renovated the Skincare Building (Building B) and realized automation at the plant, thereby promoting the expansion of a smart factory within the Company. The introduction of new facilities has significantly improved production capacity for refill pouches and tube products (increases of 9.6 million units per year and 1.4 million units per year, respectively). In addition, the introduction of automated packaging and automatic washing machines has reduced the workload, enabling us to reduce costs through human resource activation and in-house production. The time saved through automation and improved efficiency allows employees to maximize their abilities and perform higher-value-added tasks, which contributes to their growth. The plant is also evolving as a smart factory by incorporating diverse workstyles.

Japan Evolution and Deepening of a Cyber-physical System (CPS)

A CPS is a system that collects various data from physical space (real space) using sensor networks, etc., and analyzes and converts the data into applicable knowledge by leveraging large-scale data processing technology, etc. in cyberspace (virtual space). The information and value thus created can be used to revitalize industries and address social issues. Rohto is collaborating with the Fujisawa Laboratory of the Institute of New Industry Incubation (Digital Twin Unit, Institute of Integrated Research) of the Institute of Science Tokyo and First Loop Technologies, Inc. to verify CPS with a view to implementation at the new facility at Ueno Techno Center and eventually transformation of the entire Group into a "smart factory." By implementing "visualization of people and goods," "visualization of automatic transporters," "location sharing of trucks transporting goods between sites," and "database linkage," we aim to optimize the movement and placement of goods within and outside the plant. These functions will enhance plant efficiency and contribute to the well-being of workers.

From 2021 to 2023, we automated nighttime shelving in automated warehouses, and from 2024 onward, we have implemented real-time optimization not only at night but also during the day. In the future, we will promote CPS not only within the Ueno Techno Center, but also for inter-warehouse logistics and domestic and overseas subsidiaries.



Overseas Making Mono Chem-pharm Produkte GmbH's State-of-the-art Sterile Plant a Development and Production Site in Europe

In June 2024, the Rohto Group acquired shares in the Austrian pharmaceutical company Mono chem-pharm Produkte GmbH, making it into a subsidiary. The two plants (sterile and non-sterile) owned by Mono chem-pharm Produkte GmbH comply with EU-GMP and have obtained ISO 13485 certification, and are capable of producing high-quality products. The company manufactures ophthalmic drugs and otorhinolaryngologic drugs, and can also handle preservative-free (PF) containers. As a development and production site for eye drops for the European market, the company is preparing to respond to future expansion of the eye care market in Europe. The Rohto Group has a total of seven eye drop manufacturing plants, with a system in place to supply more than 150 million units per year.

Overseas Creating Synergies at Eu Yan Sang International Ltd.'s Traditional Chinese Medicine (TCM) Plant

In 2024, the Rohto Group acquired shares in Eu Yan Sang International Ltd., a Singaporean manufacturer and seller of Chinese herbal medicines, making it into a subsidiary. Eu Yan Sang International Ltd. has GMP-compliant Traditional Chinese Medicine plants in Hong Kong and Malaysia and has also obtained ISO 9001 certification. The Rohto Group has an extract plant in Tianjin and an oral solid dosage manufacturing plant in Japan, and synergies are expected. We will further improve quality and efficiency to strengthen our manufacturing capabilities.

Sustainability System

The Group positions sustainability at the core of its management. Solving various health-related social issues through our business also leads to the corporate growth of the Group. We aim to contribute to the well-being of all people and realize a sustainable society through a wide range of business domains.

Sustainability Policy

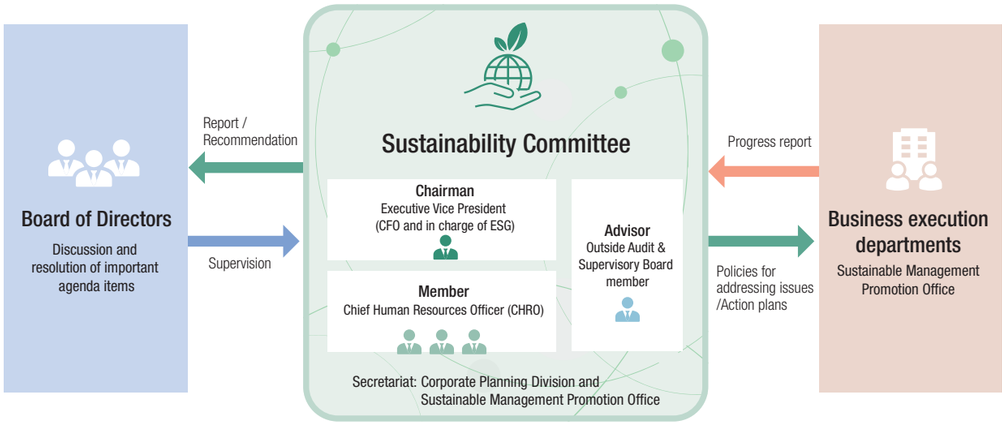
Based on our Corporate Philosophy, Code of Values and Conduct (Rohto's Seven Pledges), and various policies, we will work together with all stakeholders, including consumers, business partners, employees, shareholders and investors, and local communities, to fulfill our social responsibility toward the realization of a society with well-being and to enhance our corporate value.

Sustainability Action Guidelines

1. Contribute to the realization of a society with well-being and the resolution of environmental issues through our business activities.
2. Aim for co-prosperity with all stakeholders, as a company that is a "public institution of society."
3. Conduct corporate activities under sound governance, and aim for fair, transparent and trustworthy management.

Sustainability Promotion System

To promote our sustainability efforts, we established the Sustainability Committee, which serves as an advisory committee to the Board of Directors. The Committee has been active since 2021. The Committee determines policies to address the issues identified, formulates action plans, and monitors and evaluates progress. Its deliberations are reported to the Board of Directors as appropriate, with recommendations provided as needed. Particularly important matters are discussed and resolved by the Board of Directors. In addition to the Sustainability Committee, which meets twice a year, projects have been established to address specific issues, creating a system for cross-organizational responses.



Sustainability Targets 2030 P.55

We identified key focus areas corresponding to the ideal state of the Group in non-financial fields, and in May 2023, set targets as"Sustainability Targets 2030." We will promote initiatives to realize a society with well-being while monitoring progress toward achieving these targets, adding and modifying the targets in response to changes in the environment and expansion of our initiatives.

Materiality Identification

In order to promote efforts to resolve priority issues in sustainability, we have identified five materiality issues from the perspective of ESG/SDGs that we should prioritize through business activities. We will promote initiatives for each materiality issue to enhance corporate value and achieve sustainable growth.

Materiality identification process

Step.1 Identification of social issues

The Sustainability Committee analyzes global social issues and ESG trends with reference to various guidelines and norms such as SDGs and GRI standards, and identifies issues.

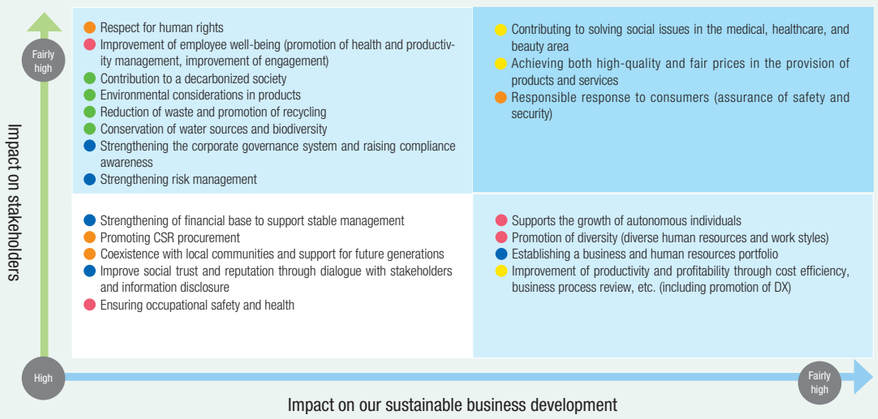
Step.2 Narrowing down key issues

Discussions are held among senior management, including outside officers, on the issues identified, and materiality issues are selected.

Viewpoints emphasized

- Does it contribute to the realization of a society with well-being, and contribute to the development of the Company and society?
- How much impact does it have on our management, including consistency with our growth strategy?
- Is it an ESG measure to be strengthened to contribute to the enhancement of our corporate value?

Rohto Group's Materiality Matrix Most important / Important



Step.3 Assessment of validity and identification of materiality

Materiality issues identified in step 2 are finalized by the Sustainability Committee and approved by the Management Committee.

Five materiality issues

1. Realization of well-being through business
2. Maximizing human capital to enhance corporate value
3. Contributing to a sustainable global environment
4. Coexistence with society
5. Further strengthening of business foundations

Sustainability Targets 2030

Materiality	Main issues	Metrics	FY2024 results	Targets for 2030
Realization of well-being through business Strengthen development capabilities and competitiveness of businesses and well-being products and services to contribute to the realization of a society with well-being	• Contributing to solving social issues in the medical, healthcare, and beauty area • Achieving both high-quality and fair prices in the provision of products and services • Improvement of productivity and profitability	Number of new products contributing to well-being	48 items	—
		Number of renewed products with improved quality, environmental performance, and convenience	79 items	—
		Number of long-selling brands	27 brands	—
		Number of countries where eye drops are marketed	40 countries	—
Maximizing human capital to enhance corporate value Promoting co-growth between the Company and members	• Supports the growth of autonomous individuals • Improvement of employee well-being (promotion of health and productivity management, improvement of engagement) • Promotion of diversity (diverse human resources and work styles) • Ensuring occupational safety and health	Score on a questionnaire on "Well-being" status (Measuring members' engagement)	Average of 5 items: 6.98 points	Full score for all items
		Certified as a Health & Productivity Management Outstanding Organization (White 500)	Continuing Certification for FY2024	Continuing Certification
		Certified as a Sports Yell Company	Continuing Certification for FY2024	Continuing Certification
		Consultation rate for health checkups	100%	100%
		Consultation rate for stress checks	99.8%	100%
		Utilization rate of child leave by male employees	97.5%	100%
		Employment of persons with disabilities exceeding the mandatory employment rate	2.6%	3.0% or more
		Provision of career training for employees 50 years old or over	Provided	Provide annually
		Learning implementation rate	62.7%	100%
		Overtime work (hours/month)	12.3 hours	0 hours
		Installation of gender-free toilets at self-owned offices	Already installed	
		Utilization rate of paid leave	76.5%	80% or more
		Utilization rate of paid leave for 5 or more consecutive days	24.7%	80% or more
		Number of lost worktime accidents	1	0
Contributing to a sustainable global environment Prevention of global warming and harmony with the natural environment	• Contribution to a decarbonized society • Environmental considerations in products • Reduction of waste and promotion of recycling • Protection of water sources and biodiversity	Reduction of total GHG emissions (Scope1 & 2 of ROHTO)	35.4%(compared to FY2013)	46% or more (compared to FY2013)
		Purchase rate of Co_2-free electricity at major offices	75.8%	100%
		Reduction of domestic usage of plastics for containers and packages	5,659t	Target to be set
		Usage rate of eco-friendly papers for paper containers and packages	67%	90% or more
		Purchase rate of "green" (eco-friendly) office supplies in domestic offices	51.4%	90% or more
		Purchase rate of "green" (eco-friendly) printing papers in domestic offices	100%	100% or more
		Eco label "R-eco" symbol	Application rate of the label: 48.5%	Establish a target for the application rate
		Procedure to procure palm oil	27.8%	100% conversion
Coexistence with society Building trust with stakeholders to become needed and trusted by society	• Responsible response to consumers (assurance of safety and security) • Respect for human rights • Promoting CSR procurement • Coexistence with local communities • Support for future generations	Number of PL accidents and major quality incidents	0	Continue 0
		Provision of education and training about human rights and harassment to all members (officers and employees)	Provided Attendance rate 100%	Continue to provide annually
		Implementation of a questionnaire survey for ROHTO's suppliers on sustainable procurement	Implemented for 70 companies (90% of the amount raised)	Expand implementation to domestic and overseas Group companies
Further strengthening of business foundations Strengthening financial and organizational foundations to support sustainable growth	• Strengthening the corporate governance system • Raising compliance awareness • Strengthening risk management • Establishing a business and human resources portfolio from a long-term perspective • Strengthening of financial base to support stable management • Improve social trust and reputation through dialogue with stakeholders and information disclosure	No scandal and material legal violation by further enhancement of compliance awareness	1 (Order for Action due to violation of the Act against Unjustifiable Premiums and Misleading Representations)	Continue 0
		Provision of compliance education (including an e-learning course) to all employees	Provided	Continue to provide annually
		Setting up a consultation desk to receive whistleblowing from business partners (including suppliers)	Established a consultation desk	—

* Results are reported on a non-consolidated basis (Rohto Pharmaceutical Co., Ltd. only).

Sustainable Global Environment

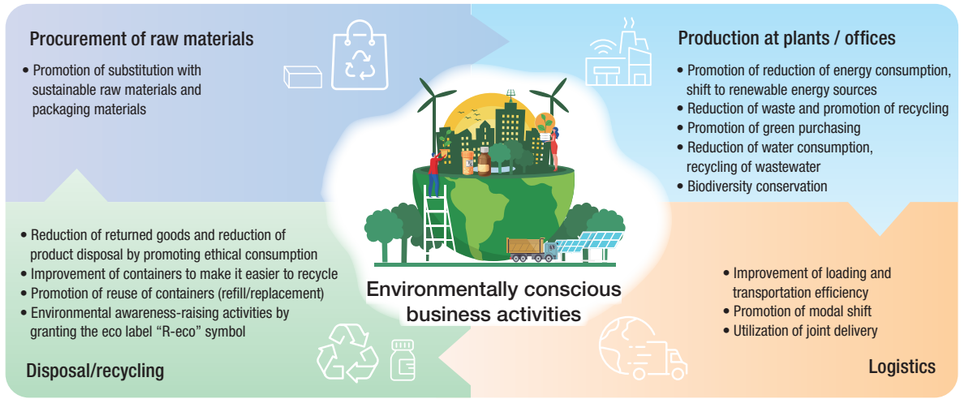
It is our duty to protect the global environment for future generations. Through its corporate activities, the Group is proactively addressing social issues on a global scale, ranging from local environmental pollution to climate change and resource circulation. By responding earnestly to the three principles applied to environmental issues set out by the United Nations Global Compact, of which we are a participant—the precautionary approach to environmental challenges, initiatives to promote greater environmental responsibility, and development and diffusion of environmentally friendly technologies—we aim to extend the healthy lifespan of the planet through collaboration with domestic and overseas suppliers, retailers, and distributors.

Basic Environmental Policy

As an important guideline for promoting the key themes of Sustainability 2030, we revised the Environmental Policy established in 2005 and formulated it in 2025 as the ROHTO Group Basic Environment Policy. We will accelerate our efforts throughout the Group.

ROHTO Group Basic Environment Policy

Reduction of Environmental Impact of the Entire Value Chain



Climate Change Initiatives

Taking seriously the impact of natural disasters caused by global warming, in June 2021 we announced our endorsement of the recommendations made by the Task Force on Climate-related Financial Disclosure (TCFD) and set our CO_2 emission reduction target.*

* For Rohto Pharmaceutical's non-consolidated basis only.

Governance

The Group views sustainability-related issues as management issues and has established a system to promote their resolution. The Company established a Sustainability Committee, chaired by the Executive Vice President, to discuss risks and opportunities related to climate change, determine policies for addressing them, and roll out these policies to the Group. The Board of Directors receives reports on the content of these deliberations and discussions, and deliberates on the Group's response to climate change, including disclosure to and dialogue with stakeholders and capital expenditure plans from a long-term perspective, and supervises the implementation of these plans. The Executive Vice President, who serves as the Committee Chairman, concurrently serves as Chief Financial Officer (CFO) of the Group, and is responsible for evaluating and managing sustainability issues as financial issues.

Strategy

We evaluated the impact of risks and opportunities related to climate change on our business, focusing primarily on the financial impact. We have local development and production bases in major countries with business footprint and have built a system that is resilient to the fragmentation of the value chain caused by climate change. In scenario analysis, referring to several scenarios, etc. announced by the Intergovernmental Panel on Climate Change (IPCC), we examined the comprehensive impact of each of the 1.5°C, 2°C and 4°C scenarios on our major global operation bases: Japan, China, Vietnam, and the U.S. Going forward, we will continue to analyze and evaluate various scenarios on an ongoing basis and deliberate on countermeasures, thereby enhancing our resilience to an uncertain future.

Responding to Climate Change

Risk Management

In accordance with the framework proposed by the TCFD and the prediction of changes in the external environment, the Sustainability Committee identifies the degree of business impact of the risks posed by climate change, based on our resources and the services we provide. The Sustainability Committee manages the identified risks and holds discussions on their responses. The Committee convenes the heads of related sections as necessary to confirm more specific measures and promote them in a flexible manner. The Sustainability Committee also evaluates and manages risks other than environmental issues that may affect the sustainability of our business in a comprehensive manner. Depending on the case, the Sustainability Committee will also discuss with the Compliance Committee, which is chaired by the President and Chief Operating Officer, to formulate a BCP.

Metrics and Targets

We have set our CO_2 emission reduction target for Scope 1 and 2 for 2030 at a 46% reduction compared to fiscal 2013 levels, with an interim target of a reduction of 3 0% by fiscal 2025, and are taking actions to achieve this goal. CO_2 emissions in fiscal 2024 were 10,222 tons for Scope 1 and 2 combined (reduction of 35.4% compared to fiscal 2013 levels).

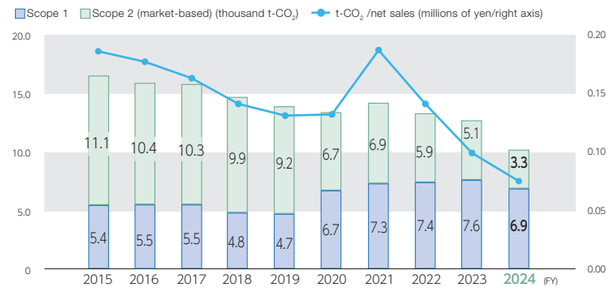
The Company's CO_2 emissions (Scope 1, 2, and 3) are also disclosed on the website.

To achieve our targets, we are working to conserve energy (reduce energy consumption by 1% or more annually), switch to CO_2-free electricity, and use solar power generation and geothermal heat. Please refer to P.59 for details on the initiatives.

Decarbonized Society

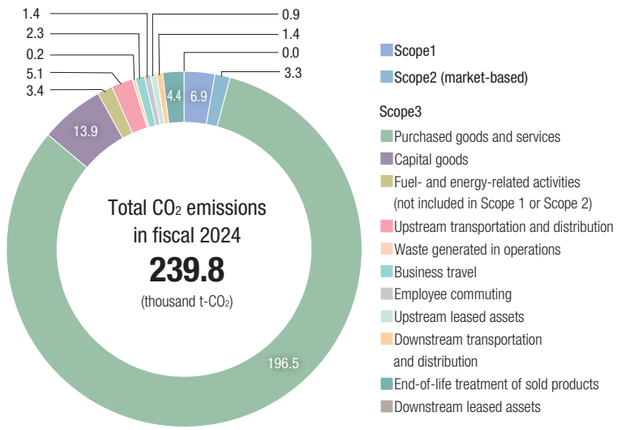
CO_2 Emissions from Business Activities

In fiscal 2024, operations began at two new sites, including a research laboratory, and production increased in line with increased sales, resulting in a trend toward increased energy demand. Nevertheless, CO_2 emissions (Scope 1 and 2) were down 35.4% compared to fiscal 2013 levels, owing to efforts such as promoting energy conservation, switching to CO_2-free electricity options, and switching to renewable energy sources, including the promotion of solar power generation.



Reduction of Environmental Impact of the Entire Value Chain

Since 2021, we have been calculating CO_2 emissions throughout the value chain—from raw material procurement to manufacturing, transportation, marketing, and post-use disposal. In fiscal 2024, Scope 3 emissions increased slightly due to rising raw materials prices and strong sales, but we were able to reduce emissions across the entire value chain compared to the previous year. Calculations revealed that Scope 3 Category 1 (purchased goods and services) accounted for the majority of emissions. We will continue to improve the accuracy of our calculations while striving to reduce our environmental impact by reviewing raw materials and delivery methods, promoting recycling, and other measures.



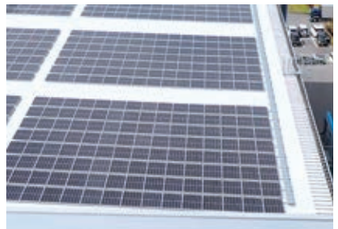
Initiatives for Decarbonization

To achieve carbon neutrality by 2050, which means net zero greenhouse gas emissions, we have been implementing a variety of initiatives to conserve energy use at offices, plants, and other sites and reduce the environmental impact of our activities including business travel and transportation. We will continue to actively work to mitigate global warming by reducing greenhouse gas emissions from our business activities.

Promotion of Renewable Energy in Purchased Electricity

We are promoting the electrification of energy, and switching purchased electricity to electricity generated by renewable energy sources (CO_2-free plans), thereby promoting the use of renewable energy. In fiscal 2024, we promoted electrification by replacing gas-fired hot water boilers with heat pump water heaters. In addition, 75.8% of the electricity purchased at Rohto's plants and research facilities was switched to CO_2-free electricity. We aim to achieve 100% switchover by 2030.

We are also promoting the introduction of solar power generation. In fiscal 2024, our second solar power generation facility began operation at our mother plant, the Ueno Plant. We are also gradually introducing solar power generation facilities at the plants of Group companies both in Japan and overseas.



Heat pump water heater

The Ueno Plant has introduced a geothermal heat pump system that is not affected by sunlight hours or weather conditions, and that uses non-fossil energy for air conditioning energy required to maintain production processes.

Geothermal heat pump system

Promotion of Energy Conservation

Through energy conversion, improvements in maintenance and operation, and the utilization of waste heat, we are promoting energy conservation with the aim of continuously reducing energy consumption by 1% annually until 2030. In transportation, we are working to reduce energy consumption and CO_2 emissions by improving trailer loading efficiency (see page 62), promoting joint delivery with other companies, and promoting a modal shift.

Energy consumption by 2030
Reduction target
Maintain
1%
annually

Initiatives to improve trailer loading efficiency
Average of 65%
Achieve up to
95%

Toward Carbon Neutrality

Bios no Oka, an experience-based facility operated by our Group company, RAN NO SATO OKINAWA CO., cultivates native plants and has received an Okinawa Prefecture CO_2 Absorption Certification. We are working on initiatives from facilities that are considerate of the global environment.

Implementation of CFP Calculations for Mainstay Products

We are working to visualize CO_2 emissions by calculating the carbon footprint (CFP) of products. In fiscal 2024, we participated in Osaka Prefecture's "Model Project for Visualizing CO_2 Emissions Throughout the Supply Chain," and calculated the CFP for a total of five products, including V Rohto Premium eye drops, the beauty serum Obagi C10 Serum, and the HADALABO Gokujyun Hyaluronic Acid lotion, based on rules in accordance with international standards. We will identify hot spots in each process in the supply chain and link them to appropriate reduction measures.

Initiatives for Resource Circulation

Towards the realization of a circular economy, we will value limited resources and promote the 4Rs (Reduce, Reuse, Recycle, Renewable) for containers, packaging, and materials by reducing plastic and waste.

Initiatives in product development
- Proposing refill and replacement products
- Reducing blister packs
- Reducing eye-catching stickers
- Adopting biomass materials and recycled materials
- Simplifying packaging and reducing container weight
- Switching from plastic to paper resources

Initiatives at plants
- Promoting recycling
- Using recycled pallets

Initiatives in distribution
- Reduction of returned goods
- Building a resale system with retailers

Resource Circulating Society

Displaying a Unique Environmental Mark

In response to customers' desire to choose products that are as environmentally friendly as possible and to make it clear how Rohto is reducing its environmental impact, we have been displaying our own unique environmental mark, "R-eco," on our products since 2019. In 2024, we re-formulated our "R-eco" criteria and made them public.

Of all Rohto products*1, 237 items are labeled with "R-eco."

Going forward, we will continue to switch to environmentally friendly products.

*1 Domestically sold products with sales results in FY2024
*2 For shipment volume in FY2024

R·eco
ココロもカラダも
地球も健康に

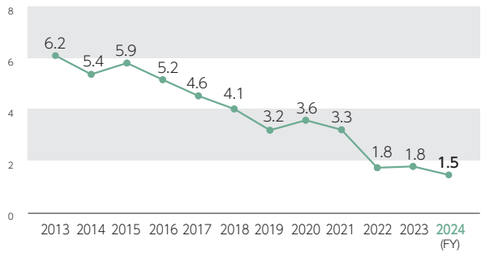
R-eco application rate
48.5%*2

Environmental Conservation Activities

Reduction of Returned Goods and Waste

As part of our efforts to reduce waste, we have been working on a project since 2015 to improve and reduce the trade practice of returning goods in the pharmaceutical and cosmetics industries, which has been a longstanding issue. For seasonal products such as anti-hay fever products, sunscreens, and dry skin treatment products, we work closely with retailers to ensure optimal in-store inventory to curb excessive shipments and reduce returned goods without missing sales opportunities. In fiscal 2024, we continued and expanded our efforts as the "Mottai-nai" project, and achieved a low return rate of 1.5%.

Actual return rate by fiscal year (%)



Recycling of Waste Materials from Container Manufacturing

Medical-grade, high-quality plastic is used to make eye drop containers, but at supplier factories, plastic scraps are generated during molding, and substandard waste is generated to maintain quality. We promote the reuse of these plastic scraps in cooperation with our suppliers. In fiscal 2024, we used them for the exterior pouches of some lip balm products. Other applications are also being considered.

In addition, we are also conducting appropriate evaluations to reuse waste generated during container molding within the manufacturing process, starting with the outermost layers that do not come into direct contact with formulations.

Scrap generated from molding eye drop containers

Initiatives for Biodiversity Conservation

The Group conducts its business activities by utilizing the precious natural gifts brought about by biodiversity. It is our important responsibility to promote business activities that are considerate of the environment in which various living organisms can coexist. The Group will contribute to the realization of a sustainable society by clarifying its policies on biodiversity conservation and fulfilling its social responsibilities regarding biodiversity in cooperation with all stakeholders across the Group.

ROHTO Group Biodiversity Conservation Policy

Response based on the Task Force on Nature-related Financial Disclosure (TNFD)

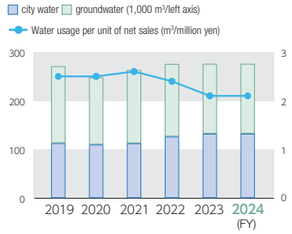
The Group supports the Nature Positive Initiative based on the Kunming-Montreal Global Biodiversity Framework, a global goal for 2030 adopted at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity held in December 2022. In April 2025, we expressed our support for the final recommendations (v1.0) of the Task Force on Nature-related Financial Disclosures (TNFD) and registered as a TNFD Adopter. Based on the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), we began initiatives to disclose information to stakeholders from the four perspectives of governance, strategy, risk and impact management, and metrics and targets. The entire Group will continue its efforts to conserve biodiversity with the aim of living in harmony with the natural environment and realizing a sustainable society.

Initiatives for Water Resources Conservation

With economic development and population growth, global water demand is increasing rapidly. Limited water resources are becoming a significant challenge for society, not only in terms of quantity but also from the perspective of "quality." In our business activities as well, the use of a certain amount of water is indispensable. We recognize our close relationship with water resources and view their efficient use as our social responsibility. In line with our environmental policy, we actively engage in environmental conservation efforts across our entire business, such as the efficient use of water resources, reduction of water usage, and prevention of water pollution.

Efficient use and reduced use of water resources	Groundwater use, reprocessing, etc.
Reduction of environmental impact through improved wastewater quality	Regular monitoring and water quality surveys

Consumption of Water Resources



Sustainable Palm Oil Procurement

Palm oil, a vegetable oil extracted from oil palms, is also used as a cosmetic ingredient (fatty acids and glycerin). In recent years, however, various problems have arisen, including the destruction of tropical rainforests to make way for oil palm plantations as well as issues related to the human rights of plantation workers. Setting targets for the selection and procurement of sustainable raw materials, we have joined the Roundtable for Sustainable Palm Oil (RSPO) and are pursuing initiatives.

Sustainable Paper Products Procurement

We have established a policy of using environmentally friendly paper, such as paper with forest certification and recycled paper, in addition to reducing the amount of paper resources used. We are also gradually switching the paper used for product packaging, sales promotional materials, company brochures, other leaflets, and office use to paper with forest conservation credentials.

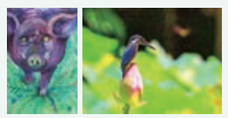
ROHTO Group Paper Products Procurement Policy

TOPIC

Okinawa Subtropical Forest Experience Facility, Bios no Oka:
Environmental Conservation Activities in Okinawa to Protect Biodiversity and Advance with the Community

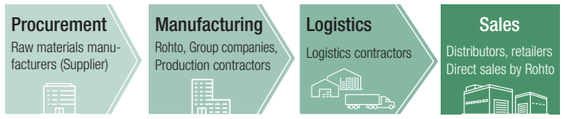
Bios no Oka, which is operated by the Group, places importance on Okinawa's natural environment and biodiversity, and contributes to various biodiversity conservation efforts, including the conservation of topographical features, the protection of native species, and the control and extermination of invasive species. In addition to cultivating native plants, Bios no Oka has received an Okinawa Prefecture CO_2 Absorption Certification, and in an effort to reduce the environmental impact of its operations as much as possible, it uses pond water for watering plants and for toilets.

The park is also actively involved in environmental awareness activities and collaborations with the local community, such as by hosting photo contests and sketching competitions, and collaborating with schools in the prefecture.



Building a Sustainable Supply Chain

From procurement of raw materials and manufacturing through inventory management, logistics and delivery, and sales, the Group is committed to building strong partnerships and long-term cooperative relationships with various stakeholders who support Rohto in order to build a sustainable and responsible supply chain.



Sustainable and Responsible Sourcing of Raw Materials

Amid climate change, pandemics, conflicts, and other global issues, the Group views realizing stable procurement of raw materials in order to provide safe and secure products to its customers as an important issue. We have been working to diversify our procurement bases by utilizing our global network. Local procurement and local production also contribute to risk diversification and sustainability. Moreover, in order to promote responsible procurement that takes into consideration society, the environment, and human rights throughout the supply chain, we have formulated the ROHTO Group CSR Procurement Guidelines. Based on mutual understanding with suppliers, we work together to develop measures to address issues in an effort to ensure sustainable procurement and provide products that customers can use with peace of mind.

ROHTO Group CSR Procurement Guidelines

Monitoring Activities

We conduct "Supplier CSR Assessments" for our major suppliers to ensure sustainable procurement. In fiscal 2024, we asked 70 domestic companies which accounted for 90% of our purchasing amount to fill out the assessment, and received responses from 100% of them. For suppliers with low scores, we confirm the results of their responses on both sides and request improvements as necessary. By linking our activities for improvement based on the results of each supplier's self-assessment to consideration of social and environmental impacts and reduction of risks, we will promote CSR procurement that will enhance the sustainability of society.

Supplier CSR Assessment

Initiatives for Sustainable Delivery

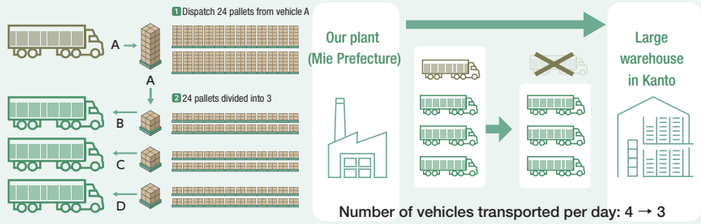
In addition to contributing to environmental conservation, we aim to solve issues affecting the entire logistics industry, such as rising fuel prices and driver shortages, by reviewing the supply chain, enhancing delivery efficiency, and improving the working environment. Building a sustainable supply chain not only reduces risks and environmental impact, but also leads to the well-being of people involved in logistics. We aim to achieve sustainable growth for society and companies while being mindful of the environment.

Improved loading efficiency and reduced delivery frequency

We aim to establish a sustainable delivery system that increases logistics efficiency while reducing environmental impact and transportation costs. In addition to improving the pallet area utilization rate, we also improved trailer loading efficiency from 65% to up to 95% in fiscal 2024, making it possible to reduce the number of trailers transported from four to three per day. We have also started joint delivery with other companies. We will continue our efforts to improve efficiency.

Example of improved loading efficiency

Reducing the number of trailers will result in a reduction of 70,000 tons of CO_2 per year



Coexistence with Society

Quality and Safety Assurance

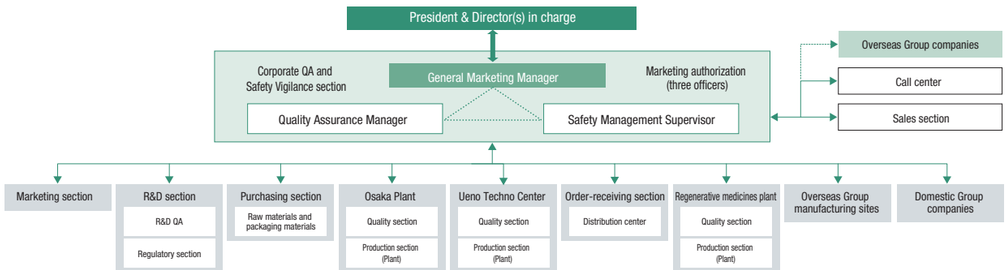
Rohto has established the Quality Policy with the aim of providing reliable and safe products, and we all make concerted effort to drive our daily operations in accordance with this policy. The Quality Policy consists of guidelines for providing products that customers and patients can use safely. We review the policy to keep abreast of the changing times and the expansion of our product range. In April 2022, we introduced a new Quality Policy, with a view to ensuring higher quality and safer use of our products in line with the full-scale entry to the ethical drug business. We are working to thoroughly inform all members about it.

Formulation and Dissemination of a Quality Policy

Rohto has established the Quality Policy and all employees engage in their daily operations to provide reliable and safe products. With our full-scale entry into the ethical drug business, we revamped the Quality Policy in April 2022 and disseminated it throughout the Company. The new policy has been distributed to all employees in the form of cards, allowing them to consider their own ideas and vision about "why we work on quality." This is also used as a basis for making decisions when unsure of what to do in the workplace.

Quality Assurance System

We have an organization in which the three officers of the manufacturing authorization (General Marketing Manager, Quality Assurance Manager, and Safety Management Supervisor) work together to guarantee the quality of all our products. We promote a system in which not only the manufacturing and quality sections, but also the entire Company, including the management team, is committed to quality and safety. The same Quality Policy applies to our Group companies, and we have a system in place to achieve a high level of quality assurance.



The Power to Transform Quality into "Actions" and "Culture": Company-wide Initiatives to Support Continuous Evolution

Building a Foundation through Company-wide Training

Based on the belief that compliance lies at the foundation of quality, we conduct training for all employees every year. Over the past three years, we have achieved a 100% employee attendance rate, and by reaffirming compliance with laws, regulations and ethical standards, each and every employee has increased their sense of responsibility and awareness regarding quality.

Fostering a Quality Culture

Based on the recognition that quality is not limited to a specific department, but rather is something that should be supported by all employees, we hold "quality exchange meetings," in which we engage in dialogue with departments that are far away from manufacturing sites, such as sales and planning departments. Through these meetings, we create opportunities for employees to see quality as their own personal matter. Through exchanges between departments that normally have little opportunity to interact, we aim to remove barriers in awareness of quality and promote company-wide understanding.

Workplace-driven Improvements and a Continuous Initiative Cycle

Rather than following top-down instructions, the Company encourages frontline employees to engage in repeated discussions based on the question of what they want to be, and then implement improvement activities. We establish a continuous improvement cycle through regular evaluations and feedback that are used to confirm whether these efforts are leading to the establishment of a quality culture.

Visualizing Customer Dialogue and Feedback

In order to utilize the feedback and responses received from customers in product development and improvement, we have established a system in which customer feedback is collected every week and made available to all employees. When frontline employees hear comments such as "This medicine improved my symptoms," they are able to feel a renewed sense of pride and responsibility in their work that supports the health of others, and this leads to increased awareness of quality.

Active Involvement by Management and Assurance of Psychological Safety

Management is actively involved in the promotion of company-wide initiatives for quality improvement. The President and other members of the management team regularly send out messages regarding quality to foster awareness in the workplace. In addition, management places importance on "psychological safety," which makes it easy for employees to speak up when they notice a problem or experience discomfort, and management themselves routinely demonstrate an attitude of "if anything happens, please report it immediately."

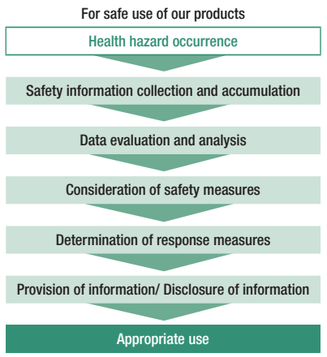
Strengthening Quality Collaboration throughout the Group

The Group, which operates globally, shares quality issues and case studies between sites in Japan and overseas through the Rohto Mentholatum Quality Conference (RMQC). In addition, five domestic Group companies with manufacturing and marketing businesses hold regular meetings to exchange opinions and conduct joint audits with the aim of improving quality by leveraging the strengths of each company.

Safety Initiatives

In compliance with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, GVP Ministerial Ordinance*, and other regulations, and covering all information from our customers and patients, as well as from academic societies and overseas, we regularly check and evaluate whether our products are safe and being used correctly. In cases when it is considered necessary to alert the public about safety or usage, we will revise the Precautions and other information as well as communicate the information to the public. Recently, we have revised our response flow to include the opinions of medical specialists so that we can detect and respond to safety issues at an early stage with greater precision. These efforts have enabled us to further ensure the safety of our customers and patients. We will continue to strengthen our safety initiatives.

* Good Vigilance Practice (GVP) Ministerial Ordinance: A law to ensure that companies properly implement safety measures.



Compliance with Legal Guidelines

There has been a series of cases of misconduct in the pharmaceutical industry. Based on the legal compliance guidelines issued by the Ministry of Health, Labour and Welfare, we have prepared a document titled "Rohto Legal Compliance System" and made it available to all members. In addition, we provide all members with training using e-learning (Rohto Academy) to deepen their understanding of the importance of legal compliance and our system, thereby strengthening the company-wide system.

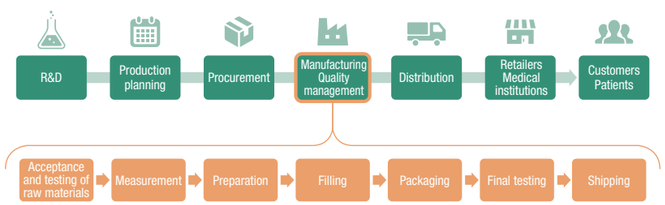
Quality Assurance System

Our manufacturing, quality control, and logistics base, Ueno Techno Center, has a highly automated eye care production line that enables us to produce a wide variety of products. The high quality assurance system and flexible production lines cultivated in pharmaceutical manufacturing, advanced aseptic and foreign material control technology, and centralized control of test data using a Laboratory Information Management System information management system (LIMS), etc. enable high quality and highly efficient production systems. The center was the first Japanese pharmaceutical manufacturer's facility to comply with FDA Part *1, and has also acquired ISO13485 *2 and CE marking *3, and is actively promoting the provision of products overseas.

*1. FDA Part 11 is standards for electronic records management stipulated by the U.S. Food and Drug Administration.
*2. ISO 13485 is an international standard on quality assurance specifically for medical devices.
*3. CE marking is used to indicate a product has passed European safety testing.

Efforts to Provide Safe and High-Quality Products

With the aim to realize a society with well-being, we bring a variety of products and services to society. To contribute to the well-being of the earth and all the people living on it, we make every effort to provide even safer and higher-quality products, at all stages from development to raw material procurement, manufacturing, distribution, sales, and use.



Respect for Human Rights

Approach to Human Rights

We aim to realize a well-being society and conduct business activities not only in Japan but also around the world. Respect for human rights forms the very foundation of all our business activities. Recognizing that our operations may directly or indirectly impact human rights, we support and respect international human rights standards, including the United Nations International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), conventions related to workers' rights such as wages and working hours, and the OECD Guidelines for Multinational Enterprises. Furthermore, in the course of pharmaceutical research and development activities, we respect and protect the human rights of patients and research subjects in accordance with the Ethical Principles for Medical Research Involving Human Participants (Declaration of Helsinki). We have established a Human Rights Policy and are advancing Group-wide initiatives to respect human rights. Through these efforts, we are committed to contributing to the realization of a sustainable Well-being society.

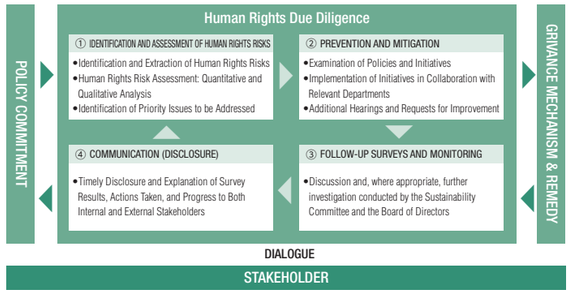
Human Rights Due Diligence

We established a Human Rights Policy in 2022 based on the principles of the United Nations Guiding Principles on Business and Human Rights (UNGPs). In line with the UNGPs and our own Human Rights Policy, we are building a human rights due diligence framework to ensure respect for the human rights of all stakeholders. Since fiscal year 2023, we have been continuously conducting supplier CSR assessments to evaluate human rights risks. In fiscal year 2024, we further strengthened our commitment to human rights by conducting group-wide due diligence investigations. Through these efforts, we aim to identify, prevent, and mitigate adverse human rights impacts throughout our Group's business activities and value chain. In addition, based on our philosophy of Well-being management, we are working to create workplace environments where diverse talent can maximize their potential.

Promotion System and Process

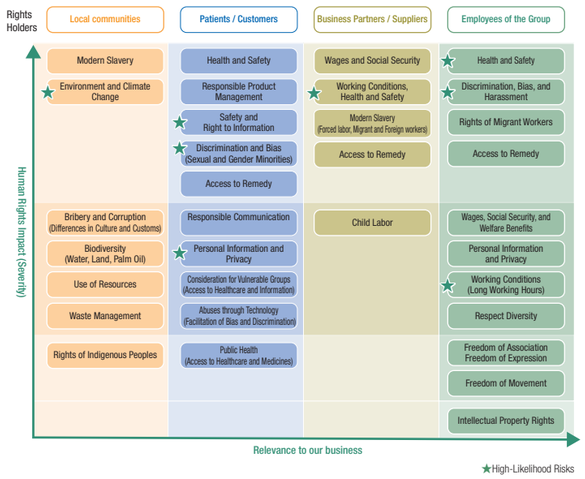
The Company and Group companies promote sustainability activities, including respect for human rights, under the leadership of the Sustainability Committee. Significant human rights risks and overall plans are deliberated by the Committee and reported to the Board of Directors. Human rights risks are extracted and analyzed, priority issues are identified, preventative and corrective measures are implemented, and progress is monitored. The status of activities is regularly reviewed by the Committee and the Board of Directors, and progress and results are reported and disclosed appropriately and promptly both internally and externally.

The Process of Rohto Group Human Rights Due Diligence



Human Rights Impact Assessment Implemented in Fiscal 2024

Based on a variety of guidelines and desktop research, we determined the scope and content of research in domestic and overseas business activities, and identified, extracted, and quantitatively and qualitatively assessed human rights issues (risks). From the results, we identified human rights issues that could affect rights holders, assessed the "impact on human rights (severity)" and likelihood of occurrence for each issue, and created a risk map. In response to the priority issues (risks) that were identified and evaluated, we are working to consider and implement specific countermeasures.



Human Rights Initiatives

In the "Rohto Group Human Rights Policy," we explicitly state our commitment to respecting human rights. Additionally, in the "Rohto Group Action Agenda for Compliance" we indicate our commitment to respecting the human rights of employees and business partners, and to fulfilling our responsibilities as a member of society.

Material Human Rights Issues

Prohibition of discrimination and harassment	We respect the dignity and fundamental human rights of all relevant stakeholders and do not tolerate discrimination or harassment on the basis of race, ethnicity, age, religion, creed, gender, nationality, social status, disability, sexual orientation, gender identity, physical characteristics, or disease. We also respect diversity and strive to provide equal opportunities.
Guarantee of workers' right	We strive to prohibit child labor and forced labor (including slavery and human trafficking), respect freedom of association and the right to collective bargaining, prevent low-wage labor (work below the minimum and living wage) and excessive working hours, and ensure occupational safety and health (including workers' physical and mental health).
Respect for privacy	We strive to ensure respect for privacy, such as the protection of personal information, including that of customers and employees.
Utilization of technology with high ethical standards	We recognize that the use of various technologies, such as AI, big data, robotics, and IoT, involves potential risks of human rights infringements, and we fulfill our responsibility to respect human rights by maintaining high ethical standards in every aspect of technology application.

Human Rights in the Workplace

In addition to conducting a human rights impact assessment in fiscal 2024 in collaboration with domestic and overseas Group companies, we are promoting specific considerations and initiatives throughout the Group. For employees in Japan, we have established the Rohto Group Alert Line as well as the Rohto Group Web Alert Line, which enables reporting 24 hours a day, 365 days a year, to accept consultations about human rights and compliance. A dedicated contact point (Alert Line) has been established for overseas employees, and in the event of any adverse impact, we will implement prompt remedial measures for those affected.

Human Rights in Relationships with Business Partners

We conduct transactions with our business partners in accordance with the ROHTO Group CSR Procurement Guidelines, and endeavor to conduct sustainable procurement that takes human rights into consideration. In addition, the Company is a member of the Roundtable for Sustainable Palm Oil (RSPO), and promotes the procurement of sustainable palm oil that takes human rights and the environment into consideration.

CSR Assessment P.62 | Sustainable Procurement P.62

Customers' Human Rights
Disclosure of our "Approach to Responsible Advertising and Marketing"

In order to promote the creation of an environment in which customers can choose products with peace of mind and to practice responsible marketing, we comply with industry standards and laws such as the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and the Act against Unjustifiable Premiums and Misleading Representations. We also promote the creation of an environment in which customers can choose products with peace of mind through easy-to-understand and fair advertising that eliminates false, exaggerated or misleading expressions, as well as content that leads to discrimination and human rights violations.

Education and Training for Employees

The Compliance Division takes the lead in disseminating information to employees and providing online education, including videos, in order to detect human rights violations at an early stage, prevent them from occurring, and make necessary improvements. (For details on compliance initiatives, see P.74)

Respect for Human Rights

Social Contribution Activities Working Together to Support Society and Create a Better World

The Company was founded with the ambition of "vitalizing Japan," and conducts business activities with the aim of delivering health to people around the world. Aiming to create a society where everyone can achieve both physical and mental well-being, we not only provide value through our business activities, but also position "coexistence with society" as an important materiality issue, and we are working together with stakeholders on themes such as "support for the next generation" and "coexistence with local communities." Our corporate culture is based on "supporting society and creating a better world," which is why we are committed to "supporting the next generation." We will take a long-term perspective in our efforts, not only to realize a better future, but also because we believe that nurturing human resources in society who can support sustainable innovation will lead to the development of future businesses and industrial infrastructure.

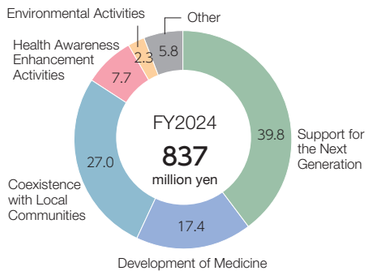
Policy of Social Contribution

To realize the "Well-being Society" as declared in our Corporate Philosophy, taking responsibility as a public institution, ROHTO will fulfill our roles proactively to revitalize local communities and create an environment where people enjoy their fulfilled and happy lives. In addition, we will aggressively support our employees' social contribution activities to encourage them to grow as responsible society members who can see various social issues as their problems and take the initiative to solve them.

Key issues to tackle

1. To support the advancement of next-generation personnel, industries, and technologies that will lead our societies in the future.
2. To contribute to solving health issues in local communities and developing and revitalizing regions.
3. To contribute to preserving the environment.

Social contribution expenditures (consolidated) (%)



Contributions for a Society with Well-being

Improving Health Literacy, Developing Medicine, and Eliminating Disparities in Healthcare Access

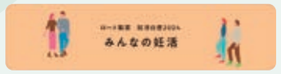
Protecting the Eyes of the Next Generation

As digital devices such as computers become more familiar to children and see increased use in educational settings, social interest in the environment surrounding eyes has been growing. We provide health education materials that can be used at elementary schools to help children learn about the importance of their eyes and develop necessary lifestyle habits in a fun way.

"Rohto Eye Care Educational Materials " to learn about eye health (Japanese only)

Women's Health (Feminine Care/Fertility)

In order to support women's health and solve their everyday problems, we not only provide products but also focus on deepening social understanding and disseminating accurate knowledge and information. The Company is working to "create a society where women can learn more about their own bodies and take care of themselves as a matter of course" through the publication of the Fact-Finding Survey on Pregnancy, which aims to broaden knowledge and understanding of fertility, the **Women's Health Lab**, which is a joint effort with female drugstore leaders, and collaboration for feminine care awareness seminars.



2024 Fact-Finding Survey on Pregnancy (Japanese only)

Contributing to the Development of Medicine: Supporting Young Researchers

We are contributing to the enhancement and development of medicine by widely funding science and technology, basic research, and clinical research. We will continue to support young researchers, particularly in ophthalmology, dermatology, and obstetrics and gynecology.

Science and technology	1977 -	Yamada Science Foundation	Established through donations from Kiro Yamada to subsidize and promote basic research in the natural sciences and with the aim to contribute to the enhancement of science and technology and the welfare of humankind.
Eyes	1995 -	ROHTO AWARD	Contributes to the advancement of ophthalmology research (awarded to young researchers who have made outstanding achievements in basic and clinical research)
Skin	2007 -	Japanese Association of Geriatric Dermatology Research Fund: Rohto Prize	Encourages and aids research and study on age-related dermatology (jointly established with the Japanese Association of Geriatric Dermatology Research)
Skin	Since 2008	Dermatological Research Fund (Endowment by Rohto Pharmaceutical)	Supports and promotes basic research that contributes to the development of dermatological medicine (jointly operated with the Japanese Dermatological Association since 2017)
Women	2009 -	Rohto Women's Health Research Award	With the aim of developing and enhancing obstetrics and gynecology research, this award is presented to researchers who have made significant contributions and young researchers who are expected to be play important roles in the future

Eye Care x Social Contribution x Global: "Eye Health" for the World

Joy of Seeing ROHTO Project

● Rohto Global Initiative "Joy of Seeing" Project (from 2022)

In collaboration with overseas Rohto Group companies, we are continuously developing the Joy of Seeing (JoS) project with a view to protecting the eye health of people around the world. In 2024, in addition to children's eye health and myopia, we also addressed issues such as cataracts and dry eyes, and expanded our activities to 10 countries and regions mainly in Asia, including Japan. In collaboration with local stakeholders, we contribute to the realization of a sustainable society and the promotion of health in local communities through a variety of social contribution activities.

Children's eye health and myopia (Activities conducted in 2024)

- 10 countries and regions
- Free eye check-ups 77,900 people or more
- Distribution of awareness-raising booklets 386,200 copies or more
- Event participants Approx.108,000 people
- Social media reach 118,137,000 or more
- Free provision of eyeglasses 1,140 pairs or more
- Provision of free intraocular lenses (IOLs) 200 lenses or more
- Provision of free ophthalmic surgery 500 cases or more

Initiatives for Eye Care

● Supporting the "Seeing" Around the World Together with Our Business Partners in Japan: "Social Partners" Project (from 2016)

Support amount in fiscal 2024 1,190,240 yen

Together with 10 of our business partners in Japan, we have been implementing the Social Partners project since 2016, in which a portion of the sales of eye drops is donated to organizations that support eye care in Asia, Africa, and other regions. Loss of eyesight due to cataracts is a worldwide problem, and tens of millions of people are estimated to have become blind because of a lack of access to proper treatment as a consequence of poverty and the absence of medical resources. We matched a portion of the sales of eye drops of 10 business partners from January 2025 through April 2025, and the support amount totaled 1,190,240 yen in fiscal 2024.

For the Next Generation Science, Culture and Arts, Healthcare

Supporting Human Resources who Shape the Future and the Challenges they Take On

Fund Management and Human Resources Support for the Next Generation

● "Children's Dream Fund " (established in April 2024)

Realizing a society where all children can have dreams and hopes

In cooperation with the nonprofit organization Peace Winds Japan, we established a fund for organizations that address social issues related to children. In April 2025, eight organizations were selected from 69 applications after a rigorous screening process, and support began. Through these activities, we will contribute to the realization of a sustainable society where everyone can have dreams and hopes, regardless of their environmental or economic situation.

● The "Michinoku Future Fund" Providing Support for the Education of Orphans of Earthquake Disasters (established in October 2011)

This scholarship fund was established by four private companies in the wake of the Great East Japan Earthquake, which was an unprecedented disaster. It was established with the hope that children orphaned by the disaster would grow up without giving up on their dreams and hopes, and that they would go on to contribute to the reconstruction of their hometowns in the future. This fund provides long-term support that lasts for approximately 25 years, until the children who were in the womb at the time of the disaster graduate.

● "ROHTO Foundation for Children's Future" (established in September 2021)

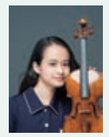
The Foundation contributes to the creation of an environment where children who find it difficult to excel in the current education system can challenge themselves to take on the future in their own way through grants, mentoring, community management, and other activities that foster individuality and inquiring minds.

Supporting Next Generation Human Resources

● Kamiyama Marugoto College of Design, Engineering and Entrepreneurship

The college provides novel education that combines the three pillars of technology, design, and entrepreneurship, with the goal of fostering entrepreneurs. We endorse the college's ideal and have joined its scholarship partner program that is aimed to make tuition free through donations.

● Support for Artists (Culture and Arts)



Violinist HIMARI
©Naruyasu Nabeshima

Contribution to Communities

Creating a Future of Coexistence with Local Communities

Employee-driven Donation Program "Karugamo Fund"

The Karugamo Fund is financed through members' voluntary contributions to a reserve fund and matched donations from the Company. It is operated by volunteer members each year. The selection of donation recipients and collaboration details are decided based on themes such as local communities, health, the next generation, and welfare.
(1,423 members as of March 2025, approximately 80% of employees, non-consolidated)

Emergency Assistance for Myanmar Earthquake

In response to an internal call for emergency assistance donations, the Company matches the donations received from Japanese employees, and together with donations from the labor union, conducts social contribution activities through the Company's local offices.

Corporate Governance

Messages from an Outside Director and Outside Audit & Supervisory Board Member

Outside Director
Eriko Hayashi

Three years have passed since I assumed the position of Outside Director. At each Board of Directors meeting, Outside Directors actively ask questions and offer opinions from their respective professional positions, leading to lively discussions. In addition, outside officers are free to exchange opinions at executive sessions held immediately after Board of Directors meetings, which are attended only by outside officers, and a system has been established whereby the content of these exchanges is conveyed to the management team.

Based on my knowledge of global legal affairs, I feel that Rohto's global business has entered a new stage, especially with the acquisition of Eu Yan Sang International Ltd. last year, and that governance of global businesses and overseas subsidiaries will become increasingly important as PMI comes into full swing in the future.

While respecting the bold challenges and sense of speed rooted in Rohto's rich ideas and free spirit, I will strive to further enhance the process of investigation, consideration, and discussion so that we can carefully assess risks and make rational management decisions.

Outside Audit & Supervisory Board (A&SB) Member
Yasuhiro Tani

The Corporate Governance (CG) Code is being changed for the first time in four years. The main objective of the revision is to go "from superficial response to practical acceptance." In an environment where CG washing, which tends to focus on appearances only, is being frequently observed, companies will need to consider how to fully flesh out CG going forward.

Our goal is to create a Board of Directors that is more sensitive to cost of capital and stock prices than ever before. It goes without saying that the key players are the internal Directors who are in charge of business execution. However, three parties that need to take on the heavy responsibility of supporting them are: Independent Outside Directors, the A&SB, and the Board of Directors' Secretariat. Anticipating this trend, the Company increased the number of A&SB members by one at the most recent General Meeting of Shareholders, establishing a system with two Full-time A&SB members and three Outside A&SB members.

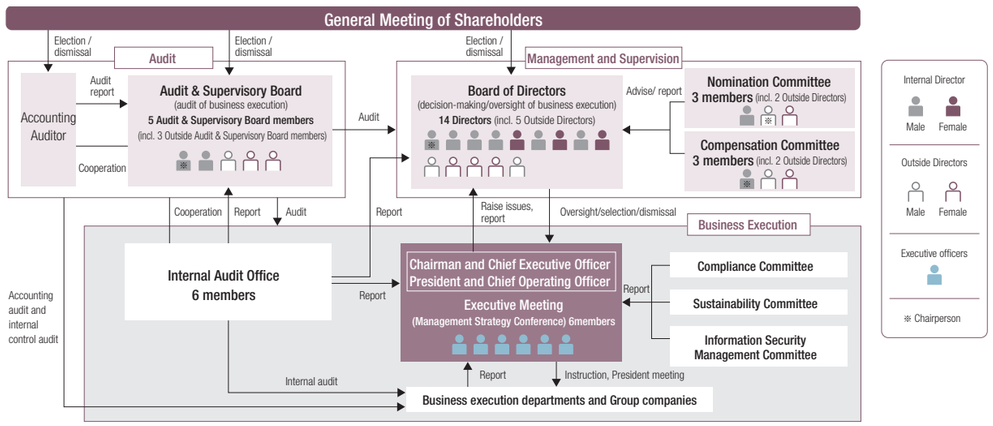
Another goal is to enhance information disclosure and promote dialogue with investors. As of the 8 9th fiscal year, the Company has achieved disclosure of its Annual Securities Report prior to the Ordinary General Meeting of Shareholders. As an Outside A&SB member, I will continue to promote the evolution of the Company's overall disclosure practices in order to help investors make timely and accurate decisions.

Basic Approach to Corporate Governance

At the same time as fulfilling our social responsibility, we are striving to earn the trust and meet the expectations of our shareholders, customer, business partners, employees, and all other stakeholders, and achieve coexistence and coprosperity. We recognize that enhancing and strengthening corporate governance to achieve this is an important management challenge. We will develop an organizational structure for management and implement the necessary measures for ensuring transparency and fairness in management and responding to changes in the management environment in a prompt and accurate manner.

An Overview of Corporate Governance System

Rohto has adopted the framework of a company with an audit and supervisory board. In principle, at least one-third of the Board of Directors and the majority of the Audit & Supervisory Board are composed of outside officers, with the aim of incorporating outside perspectives at the same time as strengthening management monitoring functions. We have also increased the transparency of management through the establishment of the optional Nomination Committee and Compensation Committee, the majority of which are made up of outside officers.
Furthermore, we have introduced an executive officer system to respond quickly and efficiently to changes in the business environment.



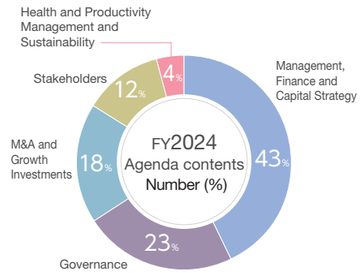
Overview of Each Meeting Body

Management and Supervision

Board of Directors

Met 8 times (FY2024) Ratio of Outside Directors: 35.7% Ratio of female Directors: 42.9% (FY2025)

The Board of Directors is composed of all Directors and operates with the attendance of Audit & Supervisory Board members who have an obligation to attend. Based on its fiduciary responsibility and accountability to shareholders, the Board of Directors aims to achieve sustainable growth and enhance its corporate value over the medium to long term for the common interest of all stakeholders. Toward that end, it makes decisions on important matters related to management and supervises the execution of business by each Director, in accordance with laws, regulations, and the Articles of Incorporation. In addition to the regular meetings of the Board of Directors, extraordinary meetings of the Board of Directors are held flexibly or resolutions are adopted in writing.



Nomination Committee

Met 3 times (FY2024) Ratio of Outside Directors: 66.7% (FY2025)

The Nomination Committee drafts the proposals for the selection and dismissal of Directors, the proposals for the selection and dismissal of Representative Directors, and the proposals concerning the positions of Directors, etc., and submits them to the Board of Directors, which it is authorized to do by the Board of Directors. The Committee is chaired by a member elected by and from among the Committee members.

Compensation Committee

Met 3 times (FY2024) Ratio of Outside Directors: 66.7% (FY2025)

The Compensation Committee determines the amounts of compensation for individual Directors, and prepares drafts for Directors' compensation policies, procedures, and structures. It also drafts proposals regarding Directors' compensation that require approval at the General Meeting of Shareholders and submits the drafts to the Board of Directors. The total amount of compensation for Directors determined, as well as the allocation of basic compensation (fixed compensation) and performance-based compensation (variable compensation), is reported to the Board of Directors. The Committee is chaired by a member elected by and from among the Committee members.

Auditing

Audit & Supervisory Board

Met 18 times (FY2024) Ratio of Outside A&SB members: 60.0% Ratio of female A&SB members: 40.0% (FY2025)

Based on its fiduciary responsibility and accountability to shareholders, the Audit & Supervisory Board ensures the soundness of management with the aim of achieving sustainable growth and enhancement of the corporate value of the Group over the medium to long term, and acts in the common interests of the Group, its shareholders, and all other stakeholders.

Topics discussed in FY2024
- Formulation of an audit policy and audit plan, preparation of audit reports, refusal of reelection of the Accounting Auditor, selection of new A&SB members, audit of proposals to be submitted to the Ordinary General Meeting of Shareholders, compliance status checks, etc.
- Full-time A&SB members: liaising with the Internal Audit Office, conducting onsite audits of subsidiaries, and attending Board of Directors meetings and other important internal meetings, etc.

Business Execution

Executive Meeting

We have introduced an executive officer system to enhance management agility by clarifying executive authority and responsibilities. Executive Meetings (management strategy conference) are held every other week and are attended by internal Directors, executive officers, and each chief officer (CxO). Through in-depth discussions, the meetings respond quickly to changes in the business environment. President meetings are also held every month to share information on important decisions made by each section and company-wide issues with all section heads.

Sustainability Committee

The Committee discusses on ESG, SDGs, and other sustainability-related issues as well as relevant policies and measures. Based thereon, it decides how to address the issues identified, formulates action plans, and monitors and evaluates the progress. The Committee is chaired by the Executive Vice President (CFO and in charge of ESG) and composed of a Director appointed by the chair and one Outside Audit & Supervisory Board member who serves as an advisor.

Compliance Committee

The Committee is responsible for and discusses various compliance-related matters: for example, developing compliance policy, system, and rules; raising compliance awareness and providing compliance education and training; investigating compliance violations and devising and implementing measures to prevent recurrence; and administering contact points where employees can report or consult on compliance issues. The Committee is chaired by the President and Chief Operating Officer, and consists of members who are appointed by the chair.

Information Security Management Committee

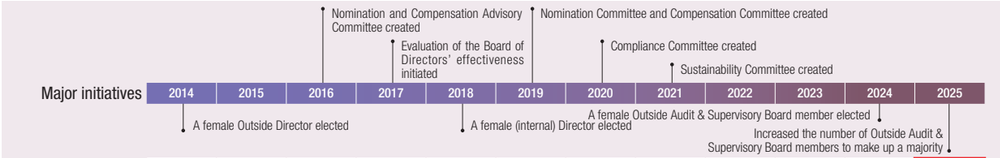
The Information Security Management Committee is tasked with ensuring the proper management of all information held by the Company, which includes personal information of customers, shareholders, and employees; classified information of the Company; and classified information received from other companies. To that end, the Committee has created an information security system. The Committee appoints and is chaired by the Information Security Management Supervisor.

Internal Audit Office

With the objective of ensuring the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with laws and regulations, and to safeguard assets, the Internal Audit Office, as an organization independent from sections that execute business, to conduct internal audits from a fair and objective standpoint, based on a mutually cooperative relationship with Audit & Supervisory Board members.

Efforts to Strengthen Corporate Governance

We have been making ongoing efforts to enhance the corporate governance system with a view to a sustained increase in corporate value.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
No. of Outside Directors/ Total no. of Directors	2/13 15.4%	2/12 16.7%	2/11 18.2%	3/11 27.3%	3/12 25.0%	▶	3/9 33.3%	▶	4/11 36.4%	▶	5/13 38.5%	5/14 35.7%
No. of female Directors/ Total no. of Directors	1/13 7.7%	1/12 8.3%	1/11 9.1%	▶	2/12 16.7%	▶	2/9 22.2%	▶	3/11 27.3%	▶	4/13 30.8%	6/14 42.9%
No. of Outside Audit & Supervisory Board members/ Total no. of Audit & Supervisory Board members	2/4 50%	▶	▶	▶	▶	▶	▶	▶	▶	▶	2/4 50%	3/5 60%

Approach to Selection and Nomination of Directors and Audit & Supervisory Board (A&SB) Members

To achieve sustainable growth and long-term enhancement of corporate value for the common interest of all stakeholders, we believe that it is necessary for Directors to comprise an optimal balance of internal Directors who make appropriate decisions on a wide range of businesses from long-term and diverse perspectives, and Outside Directors who, while remaining independent, play a role in supervising management and provide advice and cooperation to ensure that the Company is making appropriate progress toward management targets. With regard to the selection of Directors, the Nomination Committee deliberates on a list of candidates and proposes them to the Board of Directors. After deliberation and resolution by the Board of Directors, the proposal for the selection of Directors is submitted to the General Meeting of Shareholders.

In addition, we believe that by having A&SB members who consist of internal A&SB members with extensive work experience within the Company and Outside A&SB members who are independent and supervise the execution of business operations based on their knowledge in specialized fields, we can achieve multifaceted and highly effective governance. Candidates for A&SB members are deliberated and approved by the A&SB, and a proposal for the selection of A&SB members is then submitted to the General Meeting of Shareholders.

Skills Matrix of Directors and Audit & Supervisory Board Members

	Name	Corporate management	Global business	Marketing/ sales	R&D/ intellectual property	Supply chain/ production technology/ quality management	IT/ digitalization	Finance/ accounting	Human resources development/Well-being management	ESH(G)/ sustainability	Compliance/ legal affairs	Attendance at Board of Directors meetings in FY2024
Directors	Kunio Yamada	●	●	●			●		●	●		8/8 (100%)
	Hidetoshi Segi	●	●		●			●		●		8/8 (100%)
	Masaya Saito	●	●					●	●	●		8/8 (100%)
	Shinichi Kunisaki	●			●	●			●			8/8 (100%)
	Yoko Fujimoto		●		●	●					●	—
	Yasunori Kawasaki			●					●	●		8/8 (100%)
	Masae Yamanaka	●		●			●					7/7 (100%)
	Yoichi Honma				●	●			●			7/7 (100%)
	Noriko Suenobu			●	●					●		—
Outside Directors	Akie Iriyama	●					●	●		●		8/8 (100%)
	Haruka Mera	●					●			●		6/8 (75%)
	Eriko Hayashi		●								●	8/8 (100%)
	Maiko Katadae	●			●					●		7/7 (100%)
	Shoichiro Iwata	●		●		●	●					—
Full-time Audit & Supervisory Members	Masanori Kimura			●		●		●	●		●	8/8 (100%)
	Hideto Uemura			●	●	●					●	8/8 (100%)
Outside Audit & Supervisory Members	Yasuhiro Tani	●						●		●		8/8 (100%)
	Eri Sugiyama									●	●	7/7 (100%)
	Asuka Terada									●	●	—

(Note) The table above indicates the skills of each candidate that are expected to be demonstrated as an officer of the Company. Not all knowledge and experience of each person is indicated. Seven Board of Directors meetings were held after Directors Masae Yamanaka and Yoichi Honma, Outside Director Maiko Katadae, and Outside Audit & Supervisory Board member Eri Sugiyama took office. In addition, Directors Yoko Fujimoto and Noriko Suenobu, Outside Director Shoichiro Iwata, and Outside Audit & Supervisory Board member Asuka Terada were newly appointed in fiscal 2025.

Internal Controls

As part of our internal controls, we have issued the "Rohto Group Global Management Book " to inform the Company and the Group's senior management of the mindset required of a person responsible for management, including with regard to governance, compliance, and sustainability. We are also implementing a management framework within which subsidiaries are required to report to or seek approval from the parent company regarding important matters in accordance with the "Rohto Group Management Regulations".

The execution of duties by the Group's Directors is audited by each Audit & Supervisory Board member in accordance with the audit policy and division of responsibilities established by the Audit & Supervisory Board. The execution of duties by employees is audited under the internal audit system of the Internal Audit Office, which provides risk management, guidance, advice, and evaluation to Group companies.

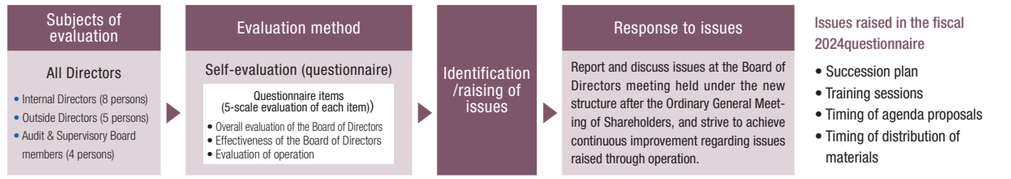
For an overview of risk management, please see Risk Management on P.73, and for an overview of internal and external reporting systems, please see Compliance on P.74.

Evaluation of the Effectiveness of the Board of Directors

Questionnaire for Evaluation of the Effectiveness of the Board of Directors

The Company conducts a self-evaluation (questionnaire) of all the Directors once a year in order to evaluate the effectiveness of the Board of Directors. The results of the evaluation in fiscal 2024 were generally good, and scores improved over the previous survey for almost all items. We will continue to make improvements regarding the issues raised.

Evaluation Process



Discussion among Independent Officers

In order to improve the effectiveness of the Board of Directors, Outside Directors and Outside Audit & Supervisory Board members hold an executive session after the conclusion of a Board of Directors meeting. Frank exchanges of opinions among outside officers are promoted, multifaceted discussions on topics such as the operation method of the Board of Directors and the quality of discussions are held, and, as necessary, hearings with executives and internal Directors are held and feedback on content is provided.

Compensation of Officers

Basic Policy on Officer Compensation

The Company has established a compensation system (level of compensation and determination process) based on the following policies:

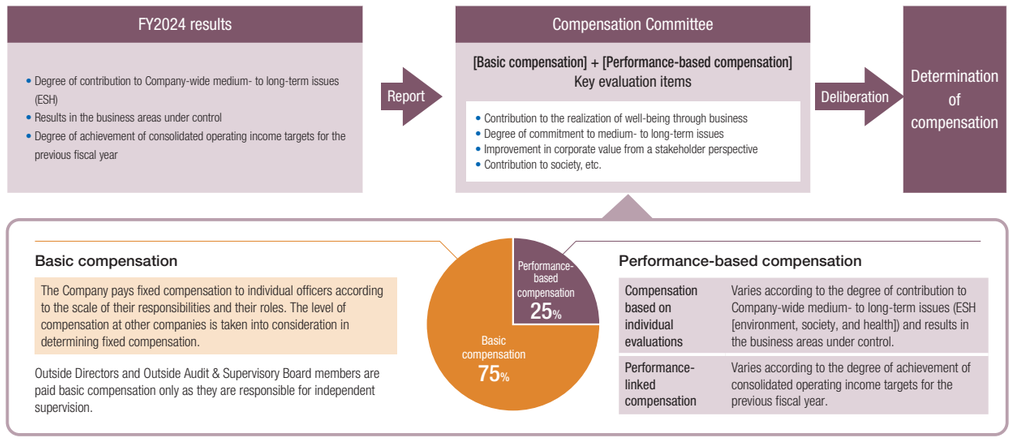
(1) To motivate contribution to the enhancement of the corporate value of the Company from a long-term perspective in order to achieve the philosophy specified in the Articles of Incorporation.
(2) To enable the philosophy to be put into practice and to be appropriate to the roles and responsibilities of each person.
(3) To ensure objectivity, transparency, and rationality that can be explained to all stakeholders.

Based on these policies, which have been resolved by the Board of Directors, the compensation for each Director is determined in accordance with the process for determining Director compensation, within the scope of the total amount of compensation, etc., approved in advance by the General Meeting of Shareholders.

Compensation for Audit & Supervisory Board members is decided in consultation with Audit & Supervisory Board members within the scope of the total amount of compensation, etc., approved in advance by the General Meeting of Shareholders.

Determination Process for Director Compensation

Compensation consists of basic compensation and performance-based compensation, with the aim of encouraging diverse and talented human resources to contribute to improving corporate value over the medium to long term. Basic compensation is paid on a fixed basis according to responsibilities and roles, and performance-based compensation considers both short-term and long-term results. The amount of individual compensation is deliberated and determined by the Compensation Committee, which is chaired by the Chairman and Representative Director.

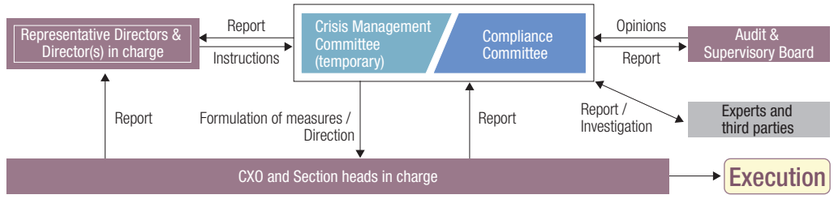


Risk Management

Risk Management System

Risk management is based on the principle that each section takes appropriate preventive measures in anticipation of risks that may occur in the course of or in connection to the execution of operations, and that if a risk should occur, the risk is handled appropriately with the support of the related sections. We have a system in place where, if an unforeseen event occurs, a Crisis Management Committee will be set up to promptly deal with the situation and prevent losses from arising or escalating while listening to the opinions of legal counsel and other outside advisors. With regard to preventive measures against the manifestation of potential risks, the Compliance Committee oversees the formulation and promotion of companywide plans for compliance risks, including risks relating to ethics and legal compliance.

Emergency Response Flow



Business Risks

The business performance and financial condition of the Group are expected to be affected by a variety of risks described below. (as of March 31, 2025) Given the potential for those business risks, the Group is striving to avoid and handle the risk when it occurs.

1	Risks related to legal restrictions and system and governmental actions	The Group's businesses are subject to legal restrictions (including deregulations) under the Pharmaceutical and Medical Device Act and related laws and regulations. Any future changes in those restrictions may have an impact on the Group's business results and financial condition.
2	Risks associated with overseas expansion	As the Group has expanded businesses globally, in recent years the share of overseas sales has reached certain levels (for fiscal 2024, overseas sales accounted for 47.0% of consolidated net sales). As a result, the unexpected deterioration of the political or economic situation, or changes in the laws and regulations in any country or region may have an impact on the Group's business results and financial condition.
3	Risks associated with the reliance on specific client companies	Currently, the top three client companies account for 33.4% of the volume of the Group's business. This fact shows that, if the Group suffers the loss of bad debts due to the financial difficulty, bankruptcy or a similar situation of any of those client companies, it may have an impact on the Group's business results and financial condition.
4	Risks associated with the dissolution of a business alliance with other companies	The Group has built business alliances with other companies in various ways, such as joint development, joint distribution, and the introduction of products (including the manufacturing and distribution of products under a license agreement). Accordingly, if such an alliance is dissolved for any reason in the future, it may have an impact on the Group's business results and financial condition.
5	Risks associated with business investment	To expand existing businesses and pursue new business development, as necessary, the Group will enhance existing business alliances or form a new partnership within the Group and with other non-affiliated companies. For that purpose, the Group has established and may establish new companies jointly with other entities; also, it has conducted and may conduct investment activities, such as investing in existing corporations. Accordingly, if the corporate value or the market price of the stock or the like of any portfolio company declines, it may have an impact on the Group's business results and financial condition.
6	Risks associated with discontinuation of distribution and recall of products	If any of the Group's products have trouble, such as a defect, unexpected side-effect, and the inclusion of foreign materials, the Group is likely to be required to stop or end the distribution or recall them. It may have an impact on the Group's business results and financial condition.
7	Risks related to intellectual property rights and litigation	If the Group fails to protect its intellectual property adequately, the competing power of the Group may be affected by the exploitation of the Group's technology and know-how by third parties. The Group intends not to infringe on a third party's intellectual property right with the utmost attention and conducts research regarding the same. Nevertheless, in the event of infringement on a third party's intellectual property right, the third party is likely to file a claim for damages or another legal proceeding against the Group; or the Group may be required to pay a certain amount of consideration or to make similar performance. Those factors may have an impact on the Group's business results and financial condition. Other than the intellectual property right-related action, the Group is exposed to litigation risk relating to product liability, environmental issues, and other matters. Accordingly, in some cases, the substance or the outcome of the litigation may have an impact on the Group's business results and financial condition.
8	Risks related to the information system and information management	As the Group conducts business activities by using various information systems, the suspension or the malfunction of any system may interfere with the efficient operation of the business. Also, retaining a vast amount of information, including personal information, the Group is striving to establish its internal control structure and enhance information management. However, if any information leak occurs, the loss of public confidence may have an impact on the Group's business results and financial condition.
9	Risks associated with natural and other disasters	The Group manufactures main products to be distributed domestically at the Osaka Plant, the Ueno Plant, etc. and ships them out from the Central Distribution Center or elsewhere. The Group has taken great care to the safety control; nevertheless, if the operation of such factories and distribution center is shut down because of fire, earthquake, or other disasters, it may have an impact on the Group's business results and financial condition.
10	Risks associated with the fluctuation of the foreign exchange rate, stock price, and interest	As the Group has been expanding its businesses globally, the fluctuation of the foreign exchange rate may have an impact on the Group's business results and financial condition. The Group also holds securities with market value and interest-bearing liabilities; thus, the fluctuation or trend of stock price and interest may have an impact on the Group's business results and financial condition.
11	Risks associated with addressing climate change and other societal challenges	Climate change impacts are expected to cause raw material and fuel prices to continue rising, which may lead to increased cost of sales. The Group's businesses are also susceptible to changes in consumer and customer needs. Thus, if customer needs for sustainability increase, rises in development costs to provide more sustainable products and services may have an impact on the Group's business results.
12	Risks related to other external factors	The amount of shipments and returns of products fluctuates due to seasonal factors, such as cold summer, warm winter, pollen dispersion, and the like. Also, the market price of products may fall unexpectedly in a harsh competitive environment. Those factors may have an impact on the Group's business results and financial condition.

Compliance

Basic Approach to Compliance

Over the years, the Group has earned the reputation of being trustworthy. We believe it is the trust placed in us that has helped us grow to what we are today. To take the Group to the next level, we must meet the wants and expectations of customers and all other stakeholders as a public organ of society. To make it possible, we have established a clear code of conduct that guides each member toward responsible, legally compliant behavior.

ROHTO Group Action Policy for Compliance

Compliance Promotion System

Based on the recognition that the promotion of compliance is one of the most important management issues, we established a Compliance Committee chaired by the President and Representative Director. In addition, we set up a Compliance Division within the organization, thereby comprehensively promoting compliance with social norms and strengthening corporate ethics. Important compliance matters the Committee is involved are promptly reported to the Board of Directors.

Initiatives to Promote Compliance

We have compiled the "ROHTO Group Global Management Book" as the guidelines for all Group companies, domestic and overseas, to conduct company management complying with laws and regulations and related rules, which serves a framework for officers and employees to perform their duties appropriately.

Major items	Details of initiatives
Internal and external reporting systems	For the primary purpose of preventing compliance violations and detecting them at an early stage, We have established a system for receiving reports from inside and outside the Group, as well as from inside and outside Japan, and for investigating and responding to such reports.
Transparency of relationships with medical institutions, etc.	We agree to comply with the Clinical Research Law and with the guidelines stipulated by the Japanese OTC Drug Association. We have also formulated the "Guidelines for Transparency of Relations between ROHTO Pharmaceutical Co., Ltd. and Medical Institutions" based on a proper understanding and disclose information on corporate activities related to medical institutions, etc.
Proper performance of tax obligations	We have established the ROHTO Group Tax Policy. In compliance with the tax laws of the relevant countries and international tax rules, such as the "OECD Transfer Pricing Guideline," the Group will make tax payments fairly and transparently to perform our tax obligations appropriately.
Anti-corruption	We respect and comply with the United Nations Global Compact Principle 1 0, "Businesses should work against corruption in all its forms, including extortion and bribery." Striving to realize the sustainability of society as a whole, we will also seek the consideration of our domestic and overseas suppliers.

To ensure thorough implementation of the Group compliance, the Compliance Division, which serves as the secretariat under the Compliance Committee, takes the lead in raising compliance awareness. We conduct an annual compliance awareness survey on all employees and Group companies in Japan to understand the current situation. The results are reflected in training for managers and employees, including compliance training, e-learning, and compliance quizzes in e-mail magazines.

Governance

Directors and Audit & Supervisory Board Members (As of July 2025)

Directors

Kunio Yamada

Chairman and Representative Director

April 1980 Joined the Company
June 1991 Director
June 1992 Senior Managing Director
March 1995 General Manager of Healthcare Business Promotion Department
May 1995 Director of The Mentholatum Company
June 1996 Executive Vice President
July 1998 Chairman of The Mentholatum Company (current position)
June 1999 President of the Company
June 2009 Chairman and Chief Executive Officer (CEO)
August 2018 Chairman and President
June 2019 Chairman and Representative Director (current position)
March 2021 Outside Director of Bacchus Bio innovation Co., Ltd.

Directors

Hidetoshi Segi

President and Representative Director

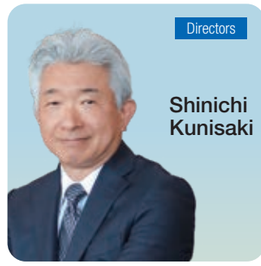
April 1985 Joined Nippon Vicks KK (currently, P&G Japan G.K.)
June 1997 Joined the Company
June 2018 Director
March 2022 Chief Strategy Officer (CSO)
June 2022 Director
June 2023 Managing Director
June 2025 President and Representative Director

Directors

Masaya Saito

Executive Vice President Chief Financial Officer (CFO)

April 1986 Joined the Company
May 1998 General Director of Rohto-Mentholatum (Vietnam) Co., Ltd.
April 2008 Deputy General Manager of Corporate Planning & Administration Department
June 2011 Director and General Manager of Corporate Planning Department
June 2017 Director of Headquarters for Promotion of Corporate Strategy
June 2018 Executive Vice President of the Company (current position) President and Director of The Mentholatum Company (current position) Chief Executive Officer of Rohto-Mentholatum (Vietnam) Co., Ltd. (current position)
March 2022 Chief Financial Officer (CFO) (current position)



Directors

Shinichi Kunisaki

Executive Vice President Chief Technical Officer (CTO)

April 1981 Joined Suntory Limited (currently, Suntory Holdings Limited)
January 2007 Joined the Company, Corporate Officer and Responsible for Development, Research & Development Department
February 2007 General Manager of Research & Development Department
June 2010 Director
June 2017 Director of Headquarters for Promotion of Corporate Strategy
June 2018 President and Representative Director of Qualitech Pharma Co., Ltd.
June 2020 Managing Director and E. Designer of Production/SCM Strategic Design Headquarters
March 2022 Chief Technical Officer (CTO) (current position)
June 2023 Executive Vice President (current position)

Directors

Yoko Fujimoto

Managing Director Chief Medical Officer (CMO)

April 1992 Physician, Department of Neurology, Tokyo Metropolitan Neurological Hospital, Tokyo, Metropolitan Bokutoh Hospital, etc.
August 1997 Research Fellow, Department of Immunology, Duke University School of Medicine, U.S.A.
April 2001 Physician, Department of Neurology, University Hospital of Tokyo Medical and Dental University (currently Institute of Science Tokyo) etc.
July 2002 Joined Pharmacia Corporation (currently Pfizer Japan Inc.) Manager of Clinical Research Department, General Manager of Medical Affairs Department, etc.
September 2019 Director, Executive Officer, Vaccine BU Lead, Pfizer Japan Inc.
June 2025 Joined the Company Managing Director and Chief Medical Officer (CMO) (current position)

Directors

Yasunori Kawasaki

Director Chief Human Resources Officer (CHRO)

April 1982 Joined Nippon Life Insurance Company
April 1986 Joined the Company
October 2011 Director, Michinoku Future Fund (current position)
July 2021 Corporate Officer
March 2023 Responsible for HR Development & Training
June 2023 Director (current position) and Chief Human Resources Officer (CHRO) (current position)
June 2024 Unaffiliated Director of Morishita Jintan Co., Ltd. (current position)

Directors

Masae Yamanaka

Director Chief Transformation Officer (CXO)

April 1987 Joined IBM Japan, Ltd.
February 2009 Joined Microsoft Japan Co., Ltd.
July 2014 Joined LIXIL Corporation
July 2017 Joined Panasonic Corporation Managing Officer of Connected Solutions Company (currently Panasonic Connect Co., Ltd.)
October 2017 Director, Executive Vice President, Member of the Board of Panasonic System Solutions Japan Co., Ltd. (currently Gemba Solutions Company)
June 2021 Outside Director of Sanrio Company, Ltd. (current position)
June 2022 Outside Director of JTB Corp. (current position)
May 2024 Joined the Company
June 2024 Director (current position) and Chief Transformation Officer (CXO) (current position)

Directors

Yoichi Honma

Director Chief Scientific Officer (CScO)

April 1992 Joined the Company
May 2012 Deputy General Manager of Research & Development Department
June 2018 Director of Business Strategy Promotion Department
May 2019 Specially Appointed Division Manager for Promotion of R&D
July 2021 Executive Officer
June 2024 Director (current position) and Chief Scientific Officer (CScO) (current position)

Directors

Noriko Suenobu

Director Chief Research Officer (CRO)

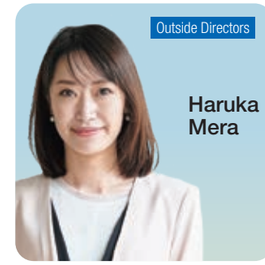
April 1991 Joined POLA CHEMICAL INDUSTRIES, INC.
January 2015 Corporate Officer in charge of R&D and Planning, POLA CHEMICAL INDUSTRIES, INC.
January 2018 Director and Corporate Officer in charge of R&D, POLA CHEMICAL INDUSTRIES, INC. Corporate Officer in charge of Group Research and Intellectual Property & Regulatory Affairs, POLA ORBIS HOLDINGS INC.
August 2023 Representative Director and President, POLA MEDICAL INC.
April 2025 Joined the Company, Executive Designer, Strategic Design Headquarters (current position)
June 2025 Director and Chief Research Officer (CRO) (current position)

Outside Directors

Akie Iriyama

Outside Director

April 1998 Joined Mitsubishi Research Institute, Inc.
August 2003 Resigned from Mitsubishi Research Institute, Inc.
August 2008 Assistant Professor of School of Management, University at Buffalo, The State University of New York
August 2013 Associate Professor of Waseda Business School
April 2019 Professor of Waseda Business School (current position)
June 2019 Director of the Company (current position)
June 2020 Outside Director of Sanoh Industrial Co., Ltd. (current position)
December 2020 Outside Director of SEPTENI HOLDINGS CO., LTD. (current position)
June 2021 Outside Director (Audit and Supervisory Committee Member) of SORACOM, INC. (current position)

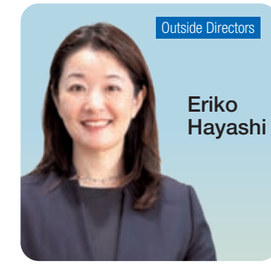


Outside Directors

Haruka Mera

Outside Director

July 2014 Founded READYFOR, Inc. Representative Director & CEO of READYFOR, Inc. (current position)
June 2020 Director of the Company (current position)



Outside Directors

Eriko Hayashi

Outside Director

October 2001 Registered as attorney at law, joined Oh-Ebashi Law Offices
June 2007 Registered as New York State Attorney
January 2010 Partner, Oh-Ebashi LPC & Partners
June 2010 Chief Representative of Shanghai Office, Oh-Ebashi LPC & Partners
March 2019 Outside Audit & Supervisory Board Member of Kaizen Platform, Inc. (current position)
November 2019 Established ERI LAW OFFICE. Assumed office as Representative (current position)
December 2019 Outside Director of Change Inc. August 2021 Representative Employee, ERIO G. K. (current position)
March 2022 Outside Audit & Supervisory Board Member of Mujin, Inc. (current position)
June 2022 Director of the Company (current position)

Outside Directors

Maiko Katadae

Outside Director

May 2005 Joined The University of Tokyo Edge Capital Co., Ltd. (currently, The University of Tokyo Edge Capital Partners Co., Ltd.)
May 2023 Visiting Researcher, Institute for Future Initiatives, The University of Tokyo (current position)
July 2023 Advisor to UTokyo Innovation Platform Co., Ltd. (current position)
April 2024 President of Infinite CORE Inc. (currently Red Capital Inc.) (current position)

Outside Directors

Shoichiro Iwata

Outside Director

March 1973 Joined Lion Fat and Oil Co., Ltd. (currently Lion Corporation)
March 1986 Joined PLUS CORPORATION
March 1997 President, ASKUL Corporation
May 2000 President & Chief Executive Officer (CEO), ASKUL Corporation
June 2006 External Director, Shiseido Company, Limited
April 2008 Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
September 2019 Established FORCE marketing and management, inc. Representative Director and CEO (current position)
August 2020 Outside Director, Safie Inc. (current position)
June 2021 Outside Director, S.T. CORPORATION (current position)
September 2021 Outside Director, Arithmer Inc. (current position)
May 2022 Outside Director, Hacobu, Inc. (current position)
June 2025 Director of the Company (current position)

Full-time Audit & Supervisory Board Member

Masanori Kimura

Full-time Audit & Supervisory Board Member

April 1982 Joined the Company
May 2000 Chief Manager of Corporate Service Department
May 2003 Corporate Officer and Deputy General Manager of Corporate Planning & Administration Department General Manager of General Affairs Division
July 2004 General Manager of Manufacturing Business Department
June 2005 Director
May 2008 General Manager of Corporate Planning & Administration Department
May 2009 General Manager of Healthcare Business Department
May 2013 General Manager of Agri-Farm Division
June 2016 Audit & Supervisory Board Member (current position)

Full-time Audit & Supervisory Board Member

Hideto Uemura

Full-time Audit & Supervisory Board Member

April 1982 Joined the Company
May 2003 Deputy General Manager of Business Development
April 2009 Deputy General Manager of Research & Development Department
May 2010 Corporate Officer
May 2015 Senior Corporate Officer, General Manager of Marketing Department
June 2017 Director of Headquarters for Promotion of Corporate Strategy
June 2018 Director and Head of Ueno Techno Center
June 2020 Audit & Supervisory Board Member (current position)

Outside Audit & Supervisory Board Member

Yasuhiro Tani

Outside Audit & Supervisory Board Member

October 1981 Joined Asahi Accounting Co. (currently, KPMG AZSA LLC)
April 1985 Registered as a certified public accountant
April 1986 Established Certified Public Accountant Tani Accounting Office Representative (current position)
May 2003 Registered as a tax accountant
April 2006 Professor, GLOBIS University Graduate School of Management (current position)
June 2020 Audit & Supervisory Board member of the Company (current position)
March 2021 Outside Director and member of the Audit & Supervisory Committee of Noritz Corporation (current position)
June 2024 Outside Director, Audit and Supervisory Committee member of FUJI OIL HOLDINGS INC. (currently FUJI OIL CO., LTD.) (current position)

Outside Audit & Supervisory Board Member

Eri Sugiyama

Outside Audit & Supervisory Board Member

October 2001 Registered as an Attorney, Joined Habataki Law Office
November 2008 Joined the Financial Services Agency (fixed-term staff), Financial Securities Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency
July 2013 Partner of Habataki Law Office (current position)
June 2018 Outside Audit & Supervisory Board Member of ShinMaywa Industries, Ltd.
April 2022 Professor, Legal Practice, Graduate School of Law, Kobe University
June 2023 Outside Executive Director of Linical Co., Ltd.
June 2024 Audit & Supervisory Board member of the Company (current position)
June 2025 Outside Director, Member of Audit & Supervisory Committee of ShinMaywa Industries, Ltd. (current position) Outside Executive Director, Audit and Supervisory Committee Member of Linical Co., Ltd. (current position) Outside Audit & Supervisory Board member of ZENHOREN CO., LTD. (current position)

Outside Audit & Supervisory Board Member

Asuka Terada

Outside Audit & Supervisory Board Member

October 2001 Registered as attorney at law, joined Kyowa-Sogo Law Office
April 2018 Established N&T Law Office Joint Representative Attorney (current position)
August 2019 Outside Audit & Supervisory Board Member, D&M COMPANY CO., LTD. (current position)
June 2021 Outside Director, Denkyosha Co., Ltd. (currently Denkyo Group Holdings Co., Ltd.) (current position)
April 2024 Visiting Professor, Graduate School of Law, Kyoto University (current position)
June 2025 Audit & Supervisory Board member of the Company (current position)

Key Financial Data (11-Year Summary)

(FY)		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business Performance												
Net sales (million yen)		151,774	167,016	154,599	171,742	183,582	188,327	181,287	199,646	238,664	270,840	**308,625**
Net sales by Region	Japan (million yen)	90,350	96,937	96,884	105,242	112,166	115,767	115,629	121,417	136,668	156,851	**164,988**
	America (million yen)	7,478	8,378	6,906	8,750	9,293	9,121	7,687	10,037	16,655	18,565	**20,769**
	Europe (million yen)	6,322	8,008	7,026	8,277	8,555	8,740	8,149	10,297	12,231	13,884	**19,163**
	Asia (million yen)	45,616	51,621	41,899	47,396	51,664	52,971	48,056	55,988	70,773	78,751	**100,336**
	Others (million yen)	2,008	2,071	1,882	2,076	1,903	1,726	1,764	1,906	2,337	2,786	**3,366**
Gross profit (million yen)		90,599	99,226	91,344	101,049	109,624	114,240	106,726	116,170	137,421	157,285	**174,939**
Share of net sales (%)		59.7	59.4	59.1	58.8	59.7	60.7	58.9	58.2	57.6	58.1	**56.7**
Selling, general and administrative expenses (million yen)		77,440	83,543	75,893	81,962	88,812	91,154	83,736	87,154	103,461	117,237	**135,999**
Share of net sales (%)		51.0	50.0	49.1	47.7	48.4	48.4	46.2	43.7	43.3	43.3	**44.1**
Operating income (million yen)		13,159	15,683	15,451	19,087	20,812	23,085	22,990	29,015	33,959	40,048	**38,939**
Share of net sales (%)		8.7	9.4	10.0	11.1	11.3	12.3	12.7	14.5	14.2	14.8	**12.6**
Ordinary income (million yen)		14,098	15,339	15,964	18,849	18,970	22,735	23,910	28,750	35,568	42,434	**40,430**
Share of net sales (%)		9.3	9.2	10.3	11.0	10.3	12.1	13.2	14.4	14.9	15.7	**13.1**
Profit attributable to owners of parent (million yen)		8,631	9,098	10,011	9,289	9,799	15,410	16,743	21,127	26,377	30,936	**31,006**
Share of net sales (%)		5.7	5.4	6.5	5.4	5.3	8.2	9.2	10.6	11.1	11.4	**10.0**
R&D expenses (million yen)		5,585	5,811	6,123	6,553	6,831	7,050	7,903	8,740	11,065	13,390	**14,912**
Depreciation (million yen)		6,059	6,044	5,552	5,593	6,159	6,058	6,376	7,232	7,418	8,251	**11,620**
Profitability Indicators	Return on assets (ROA) (%)	8.3	8.6	8.8	10.0	9.5	10.9	10.8	11.5	12.2	12.9	**10.5**
	Return on equity (ROE) (%)	8.3	8.3	8.8	7.6	7.6	11.4	11.4	12.7	13.6	13.6	**12.3**
Efficiency Indicators	Total asset turnover (Times)	0.89	0.94	0.86	0.90	0.92	0.90	0.82	0.80	0.82	0.83	**0.80**
	Trade receivable turnover (Times)	4.22	3.80	3.24	3.54	3.86	3.94	3.66	4.01	4.25	4.17	**4.44**
	Inventory turnover (Times)	6.91	7.32	6.63	6.89	6.50	6.13	6.13	6.50	6.40	6.18	**5.70**
Stability Indicators	Current ratio (%)	162.6	171.4	189.0	186.2	191.6	209.5	235.7	229.8	237.3	246.6	**230.3**
	Equity ratio (%)	61.7	61.4	64.7	64.2	65.1	64.4	68.8	64.8	67.6	71.0	**61.6**
	Interest coverage ratio (Times)	78.0	80.6	138.8	165.2	184.6	197.7	194.7	149.5	148.4	216.6	**49.5**
	Debt-to-equity ratio (Times)	0.11	0.07	0.07	0.07	0.06	0.08	0.08	0.14	0.08	0.07	**0.25**
Financial Position												
Total assets (million yen)		177,509	179,573	181,543	198,166	200,953	215,644	226,149	274,876	309,677	346,175	**421,875**
Net assets (million yen)		110,516	111,271	118,436	128,440	132,189	140,032	156,612	183,994	215,078	247,036	**271,440**
Cash Flows												
Free cash flow* (million yen)		2,268	5,258	3,917	8,140	11,500	9,635	9,771	10,844	17,748	17,928	**△52,252**
Cash and cash equivalents at end of period (million yen)		25,093	22,495	23,466	30,063	37,345	44,665	52,254	70,905	77,691	86,562	**73,221**
Per Share Information	Net income per share (¥)	38.03	40.02	43.97	40.77	43.00	67.57	73.39	92.61	115.62	135.61	**136.11**
	Net assets per share (¥)	482.09	484.61	515.48	557.97	573.71	608.83	681.71	780.30	916.93	1,078.04	**1,149.35**
	Dividends per share (¥)	9.5	10.0	10.5	11.0	12.5	13.0	14.0	18.0	22.0	27.0	**36.0**
	Dividend payout ratio (%)	25.0	25.0	23.9	27.0	29.1	19.2	19.1	19.4	19.0	19.9	**26.4**
Other Financial Information	Price-earnings ratio (Times)	22.5	25.6	23.7	36.5	33.0	21.9	20.1	19.9	24.0	21.9	**16.4**
	Price-book value ratio (Times)	1.8	2.1	2.0	2.7	2.5	2.4	2.2	2.4	3.0	2.8	**1.9**

*Net cash provided by operating activities + Net cash used in investing activities

(Note) 1. The provisional accounting treatment for business combinations has been finalized in fiscal 2020, 2021, and 2022. The figures for fiscal 2019, 2020, and 2021 have been restated accordingly.
2. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of fiscal 2021, and the figures for fiscal 2021 and beyond are after the application of the said accounting standard and other standards.
3. As of January 1, 2023, the Company conducted two-for-one stock split of its common stock. Per share information was calculated on the assumption that the stock split was implemented at the beginning of fiscal 2014.

Non-Financial Data

Rohto Pharmaceutical Co., Ltd. only (non-consolidated)

Materiality	(FY)	2019	2020	2021	2022	2023	2024
Maximizing human capital [Society (S)]	Growth of autonomous individuals, improvement of engagement and promotion of diversity (diverse human resources and work styles)						
	Employees (persons)	1,529	1,595	1,599	1,628	1,687	**1,753**
	Women (persons)	883	918	933	967	982	**1,024**
	Men (persons)	646	677	666	661	705	**729**
	Ratio of female managers (%)	22.8	27.0	31.1	30.0	32.8	**30.0**
	Turnover rate*1 (%)	3.1	2.7	2.4	3.0	2.2	**1.3**
	Paid annual leave taken (%)	71.6	67.4	61.3	72.2	80.0	**76.9**
	Uptake of parental leave among women (%)	95	100	100	97.6	100	**100**
	Uptake of parental leave among men (%)	—	—	22.2	26.5	46.4	**97.5**
	Employment of people with disabilities (%)	2.1	2.3	2.4	2.3	2.5	**2.6**
	Participants in internal double jobs (persons)	54	98	123	123	192	**207**
	Participants in external challenge work (persons)	81	62	52	49	61	**65**
	Training cost per person (yen)	—	—	81,410	83,350	100,959	**110,201**
	Well-being survey score (Well-being points)*2	—	—	—	6.84	6.89	**6.98**
	Number of serious work-related accidents (lost work)*3	0	0	3	9	4	**1**
Coexistence with society [Society (S)]	Responsible response to consumers (assurance of safety and security of products and services)						
	Pleasantly surprised testimonials by customer*4 (cases)	1,963	2,403	2,866	2,400	2,720	**3,077**
	Improvements and findings (cases)	9,585	10,465	10,634	10,813	10,587	**9,472**
	Coexistence with local communities and support for future generations						
	Donors to Karugamo Fund (persons)	953	944	968	1,213	1,304	**1,423**
Contributing to a sustainable global environment [Environment (E)]	Contribution to a decarbonized and circular society (reduction of greenhouse gases, waste reduction, promotion of recycling)						
	CO_2 (GHG) emissions						
	Scope 1 (t/year)	4,739	6,667	7,342*6	7,388	7,613	**6,900**
	Scope 2 (t/year)*5	9,218	6,660	6,906*6	5,936	5,109	**3,322**
	Scope1 and 2 (t/year)*5	13,957	13,327	14,249*6	13,324	12,722	**10,222**
	Per unit of net sales (t/million yen)	0.131	0.132	0.141	0.116	0.099	**0.075**
	Scope 3 (t/year)	—	—	168,720	193,616	227,516	**229,563**
	Per unit of net sales (t/million yen)	—	—	1.667	1.678	1.765	**1.681**
	Energy consumption (GJ)	322,235	310,345	326,137	360,005	386,246	**364,991**
	Electricity consumption (1,000 kWh/year)	25,110	24,914	26,055	28,645	30,878	**32,222**
	Per unit (1,000 kWh/million yen)	0.236	0.247	0.257	0.248	0.239	**0.236**
	City gas consumption (1,000 m^3/year)	2,072	2,913	3,014	3,073	3,195	**3,109**
	Per unit (m^3/million yen)	19	29	30	27	25	**23**
	Water intake (1,000 m^3/year)	271	248	263	276	276	**273**
	Per unit (m^3/million yen)	2.5	2.5	2.6	2.4	2.1	**2.0**
Strengthening of business foundation [Governance (G)]	Strengthening corporate governance and compliance awareness and systems						
	Compliance-related scandals and major legal violations (cases)	0	0	0	0	0	**1***7

*1 Excludes mandatory retirees and part-time employees.
*2 Calculate the annual average of the mean scores for the five survey items in the Well-being Points.
*3 The number of cases prior to 2023 has been revised.
*4 Positive responses such as letters of appreciation from customers.
*5 Scope 2 calculations are based on market-based standards.
*6 Changed the calculation standards to match the GHG Protocol from FY2021.
*7 Order for corrective actions due to violation of the Act against Unjustifiable Premiums and Misleading Representations

Corporate Data (as of March 31, 2025)

Company Profile

Company Name Rohto Pharmaceutical Co., Ltd.
ROHTO Pharmaceutical Co., Ltd.

Founded February 22, 1899

Incorporated September 15, 1949

Capital 6,504 million yen

Number of Employees 9,144 (consolidated basis)
1,753 (non-consolidated basis)

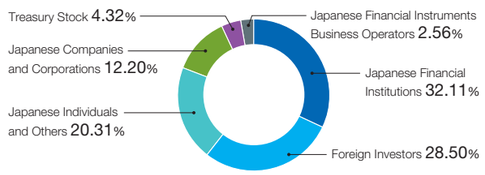
Shares

Number of Shares Authorized 798,792,000 shares

Number of Shares Issued 225,964,376 shares
(excl. 10,213,934 treasury stocks)

Number of Shareholders 47,937

Shareholdings by Shareholder Type

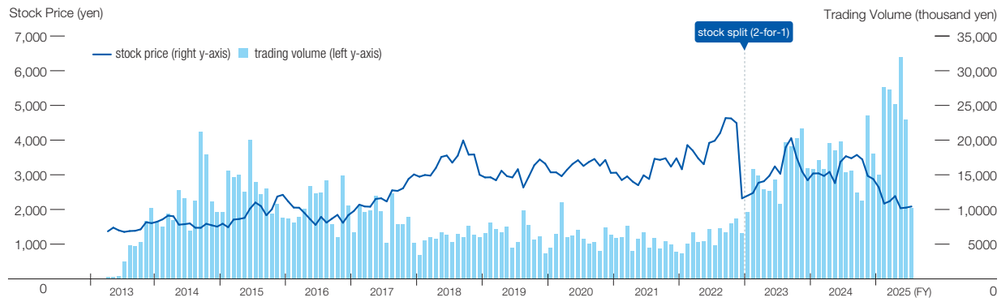


Major Shareholders (Top 10)

Shareholder	Number of Shares Held (thousands)	Percentage of Shareholding(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	32,240	14.26
Custody Bank of Japan, Ltd. (Trust account)	15,220	6.73
STATE STREET BANK AND TRUST COMPANY 505223	12,349	5.46
Yamada Kosan Limited Private Company	8,415	3.72
MUFG Bank, Ltd.	7,601	3.36
Sansyo Kosan Co., Ltd.	5,086	2.25
Nippon Life Insurance Company	4,238	1.87
Kiyoko Yamada	3,623	1.60
AVI GLOBAL TRUST PLC	3,601	1.59
Rohto Group Employee Stock Ownership Plan	3,139	1.38

(Note) The Holding Ratio has been calculated by deducting the treasury stock (10,213,934 stocks).

Changes in Stock Price and Trading Volume



Global Network

Europe

Dax Cosmetics Spolka Z Organiczona Odpowiedzlalnoscia

Asia

Mentholatum (Asia-Pacific) Ltd.

Mentholatum (China) Pharmaceuticals Co., Ltd.

PT. Rohto Laboratories Indonesia

Rohto-Mentholatum (Vietnam) Co., Ltd.

Eu Yan Sang International Ltd.

Europe

Mono chem-pharm Produkte GmbH(Austria)

The Mentholatum Company, Ltd. (U. K.)

Africa

Mentholatum South Africa Pty. Ltd.

Oceania

Mentholatum Australasia Pty. Ltd.

Japan

Qualitech Pharma Co., Ltd.

Rohto Nitten Co., Ltd.

Rohto Pharmaceutical Co., Ltd.

North America

The Mentholatum Company, Inc.

South America

Rohto Mentholatum do Brasil Ltda

Ophthalmos S. A.

As of March 31, 2025

Main Subsidiaries and Affiliates

		Company Name	Location
Japan	● 14 consolidated subsidiaries ● 2 affiliated companies accounted for by the equity-method ● 16 other companies	1 Qualitech Pharma Co., Ltd.	Minato-ku, Tokyo
		2 Mayado Pharmaceutical Co., Ltd.	Kobe, Hyogo Pref.
		3 Rohto Nitten Co., Ltd.	Nagoya, Aichi Pref.
		4 Interstem Co., Ltd.	Hachioji, Tokyo
		5 Amato Pharmaceutical Products, Ltd.	Toyonaka, Osaka Pref.
		6 MG Pharma Inc.	Ibaraki, Osaka Pref.
		7 Ceres Okinawa Co., Ltd.	Ogimi, Okinawa Pref.
		8 Yaeyama Farm Co., Ltd. (Specific agricultural production company)	Ishigaki, Okinawa Pref.
		9 Hokushinfoods Co., Ltd.	Ebetsu, Hokkaido Pref.
Americas	● 9 consolidated subsidiaries ● 6 other companies	10 The Mentholatum Company, Inc.	New York, U.S.A.
		11 Hydrox Laboratories, Inc.	Illinois, U.S.A
		12 The Mentholatum Company of Canada, Ltd.	Ontario, Canada
		13 Mentholatum de México S. A. de C. V.	Mexico City, Mexico
		14 Rohto Mentholatum do Brasil Ltda	Sao Paulo, Brazil
		15 Ophthalmos S. A.	Sao Paulo, Brazil
Asia		16 Mentholatum (Asia-Pacific) Ltd.	Hong Kong, China
		17 Rohto Advanced Research HK Ltd.	Hong Kong, China
		18 Mentholatum (China) Pharmaceuticals Co., Ltd.	Guangdong Province, China
		19 Tianjin Rohto Herbal Medicine Co., Ltd.	Tianjin, China

		Company Name	Location
Asia	● 51 consolidated subsidiaries ● 1 non-consolidated affiliated company accounted for by the equity-method ● 4 affiliated companies accounted for by the equity-method ● 8 other companies	20 Mentholatum Taiwan Ltd.	Taipei, Taiwan
		21 Mentholatum (AP) Ltd., Korea Branch	Seoul, South Korea
		22 Rohto-Mentholatum (Thailand) Ltd.	Bangkok, Thailand
		23 Rohto-Mentholatum (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia
		24 Soar R2M Pte. Ltd.	Singapore
		25 Eu Yan Sang International Ltd.	Singapore
		26 PT. Rohto Laboratories Indonesia	Jakarta, Indonesia
		27 Rohto-Mentholatum (Vietnam) Co., Ltd.	Binh Duong, Vietnam
		28 Rohto-Mentholatum (Lanka) Pvt. Ltd.	Colombo, Sri Lanka
		29 Rohto-Mentholatum (Cambodia) Co., Ltd.	Phnom Penh, Cambodia
		30 Rohto-Mentholatum (Myanmar) Co., Ltd.	Yangon, Myanmar
Europe and Africa	● 13 consolidated subsidiaries ● 2 other companies	31 The Mentholatum Company, Ltd. (U. K.)	Scotland, U.K.
		32 Dax Cosmetics Spolka Z Organiczona Odpowiedzlalnoscia	Mazowieckie Province, Poland
		33 Rohto Mentholatum RU LLC	Moscow, Russia
		34 Mentholatum South Africa Pty. Ltd.	Cape Town, South Africa
		35 Rohto-Mentholatum (Kenya) Ltd.	Nairobi, Kenya
		36 Mono chem-pharm Produkte GmbH	Vienna, Austria
Oceania	● 2 consolidated subsidiary ● 2 affiliated companies accounted for by the equity-method ● 1 other companies	37 Mentholatum Australasia Pty. Ltd.	Victoria, Australia