

Management Strategy Briefing

October 2, 2026



Agenda

01: Our Medium- to Long-Term Growth Strategy

Presenter: Hidetoshi Segi

**President and Representative
Director**



02: Insights from Our Outside Director

Presenter: Shoichiro Iwata

Outside Director



03: Overall Summary

Presenter: Kunio Yamada

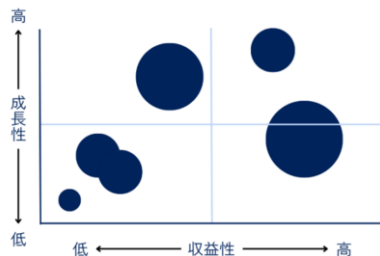
**Chairman and Representative
Director**



The Purpose of This Briefing

- Growing importance of articulating a medium- to long-term management vision
- Providing a clearer picture of ROHTO's future direction
- Rolling approach: Regularly reviewing management forecasts in response to a rapidly changing and uncertain environment

Medium- to Long-Term Business Strategy



ROHTO's Vision for the Future



Enhancing Corporate Value



01: Our Medium- to Long-Term Growth Strategy

Presenter: Hidetoshi Segi

President and Representative Director

Our Purpose/Corporate Philosophy

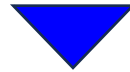
To lead all individuals and society surrounding us to “well-being” by delivering “health” to people around the world through our products and services and to make people happier and make the future brighter.

Corporate Philosophy

- 1. 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.**
- 2. 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.**

As society faces challenges such as an aging population and rising healthcare costs, the value of maintaining physical and mental health, enjoying healthy longevity, and living a fulfilling life continues to increase.

Connect for Well-being & Longevity



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

Eyecare:

Myopia



Skincare:

Skin Conditions



Inner Healthcare:

Ectopic Fat



Evolving Rohto Science by Combining Expertise across Businesses

| Eye Care × Skin Care:

Applied hyaluronic acid, originally used in eye drops for dry eye and moisturization, to skin care products.

| Eye Care × Foods with Function Claims:

The Rohto V5 brand, developed from ROHTO's eye care research

| Medical Ingredients × OTC Eye Care:

Launch of epinastine hydrochloride as a switch OTC product

| Skin Care × Cell Product Tech:

Scientific research has demonstrated the role of exosomes in intercellular communication and their involvement in processes that support the skin's natural beauty.

| Regenerative Medicine × Eye Care:

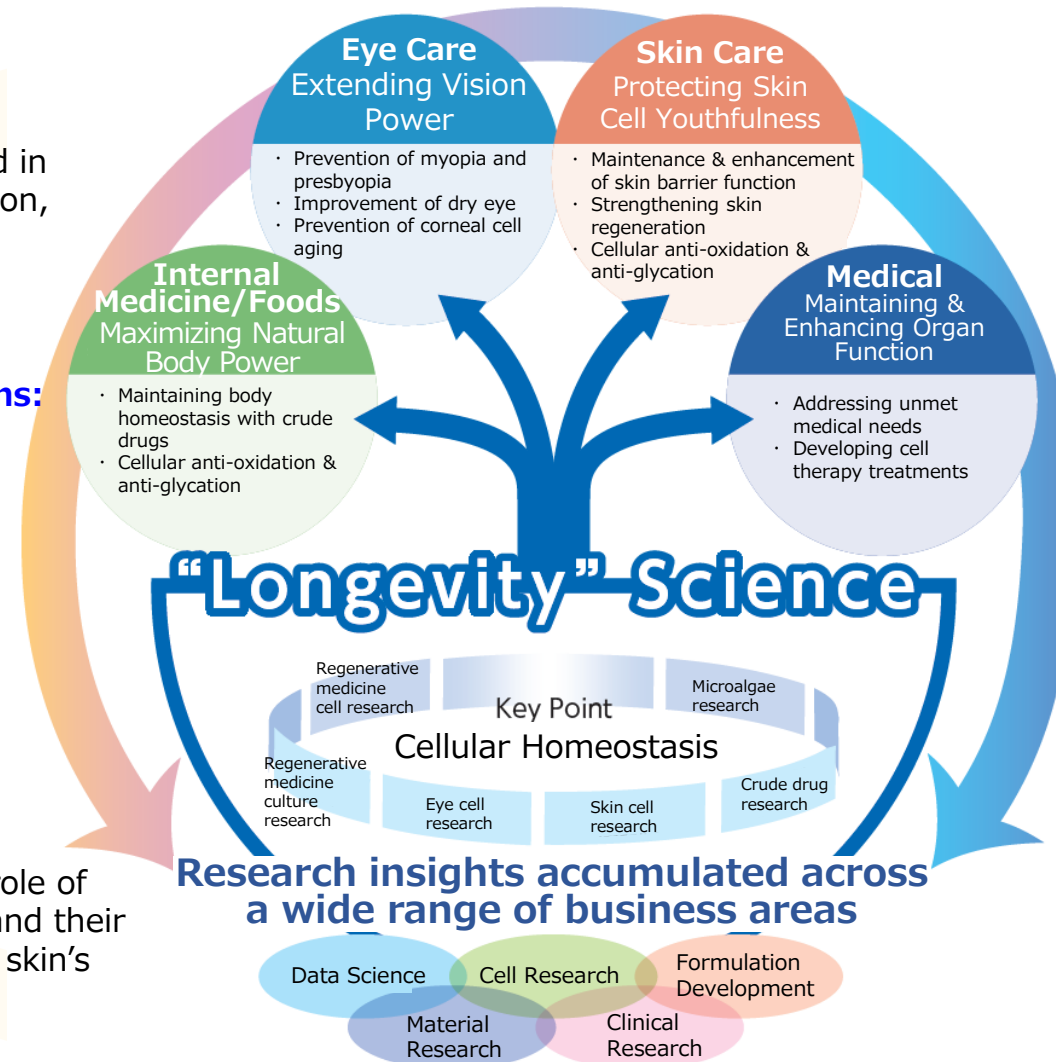
Partnered with RAYMEI Inc. for contract manufacturing of iPS cell-derived corneal epithelial cell sheets.

| Regenerative Medicine × Medical Devices:

Sales of Autologel System, a new treatment kit for intractable wounds.

| Smart Tech × Medical Devices:

Wearable medical devices for overactive bladder treatment launching in Chinese market from 2026.



Management Foundation That Enhances Corporate Value: IP & Development Capabilities



ROHTO's distinctive science-based IP and development capabilities are a key source of corporate value creation.

High Patent Power in Core Businesses & Key

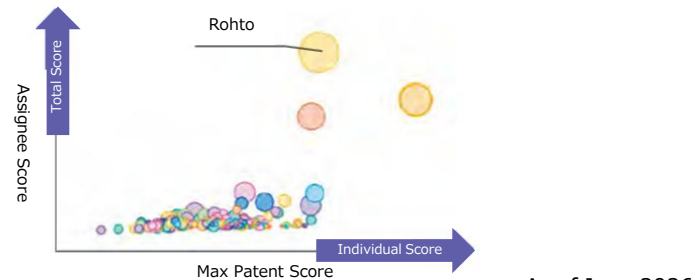
New Proprietary IP & Patent

Ranked
No.1

in comprehensive
patent score maps

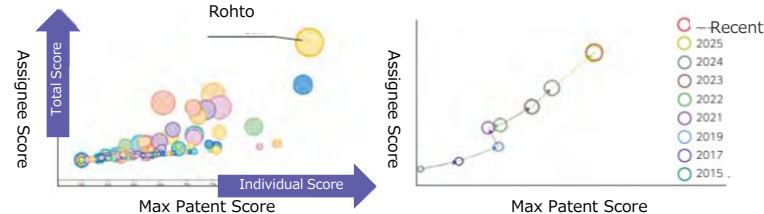
- Ophthalmic Drug
- Vitamin C
- Hyaluronic Acid

Ophthalmic
Drug Patents

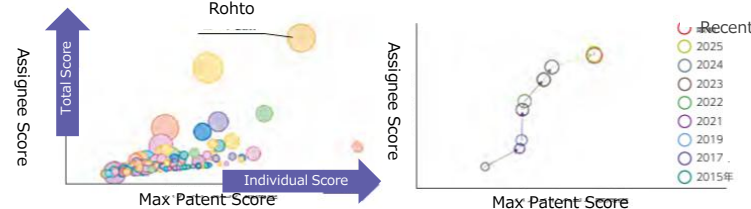


* As of June 2026

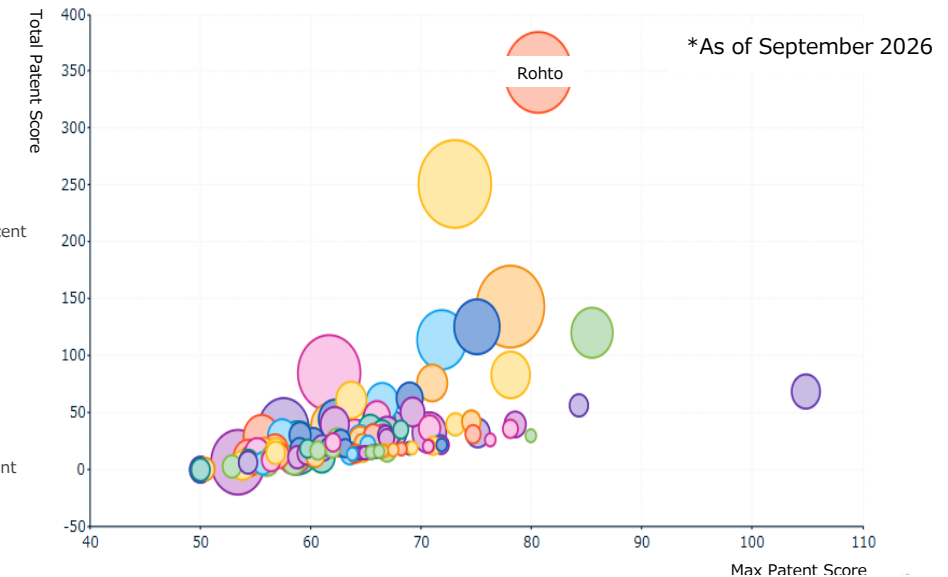
Cosmetics x
Ascorbic Acid
(Vitamin C)



Cosmetics x
Hyaluronic
Acid



Microalgae Containing
Exosomes x Healthcare



*As of September 2026

Number of publications scored: 1,009 | Number of rightsholders: 497 (Note: Only the top 133 are plotted.)

*Created in-house using "BizCruncher," a patent analysis tool developed by Patent Result Co., Ltd. The size of each circle represents the number of valid patents in the relevant field; the horizontal axis shows the score of the single patent with the highest score within each rights holder's patent portfolio; and the vertical axis shows the total score of each rights holder's patent portfolio. As of June 2026.

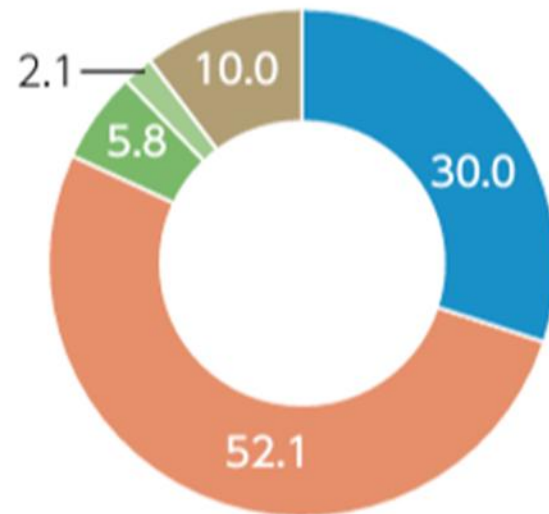
Optimizing the IP portfolio in line with the growth potential and market opportunities of each business to enhance corporate value

Number of Patent Applications:

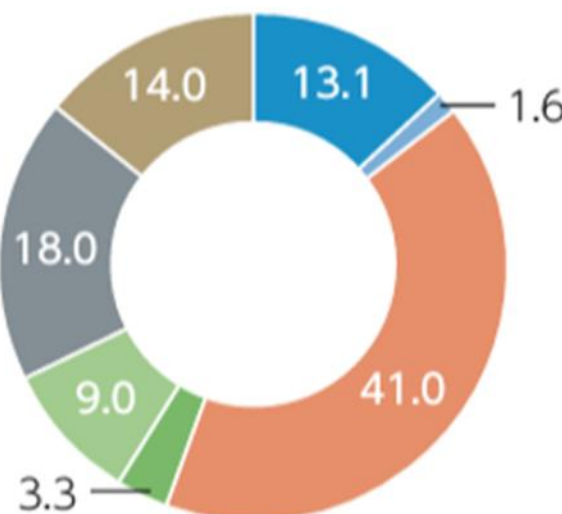
■ Eye Care ■ Hair Care ■ Skin Care ■ Oral ■ Food ■ Regenerative Medicine ■ Others (%)

*January through December

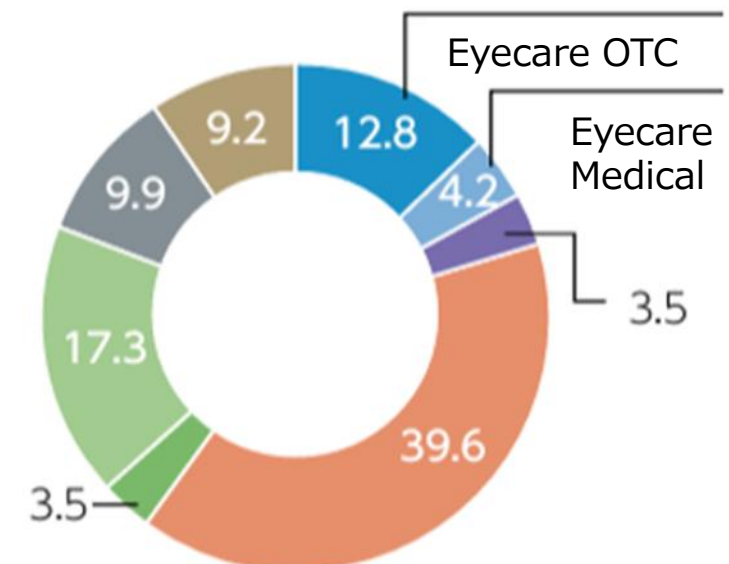
2011–2015



2016–2020



2021–2025



ROHTO's Position in Major Product Categories in Japan



ROHTO holds leading market positions across many of its core business categories.

Eye Drops (Eye Care Business)



Ranked **No. 1**
in Volume Share (FY2026)

Basic Skincare Cosmetics (Skin Care Business)



Ranked **No. 1**
in Volume Share (FY2026)

Dermatological Remedies (Skin Care Business)



Ranked **No. 2**
in Volume Share (FY2026)

Lip Balms (Skin Care Business)



Ranked **No. 1**
in Volume Share (FY2026)

Gastrointestinal Remedies (Internal Medicine/Food Business)



Ranked **No. 3**
in Volume Share (FY2026)

Sunscreens (Skin Care Business)



Ranked **No. 2**
in Volume Share (FY2026)

*Source: INTAGE SRI+ Volume Data (Period: April 2025 – March 2026)

Strengthening our competitiveness globally, particularly in Asia, and securing leading market shares across a wide range of markets and product categories

China Market*

Lip Balms / Acne Care

in Volume Share (2025)

No. 1



Hong Kong Market*

Hair Conditioners

in Value Share (2025)

No. 1



Vietnam Market*

Eye Drops / Medicated Anti-Dandruff Shampoos / Insect Bite Treatments / Men's Facial Cleansers

in Volume Share (2025)

No. 1



*Sources (data period: 2025)

China: Euromonitor market data

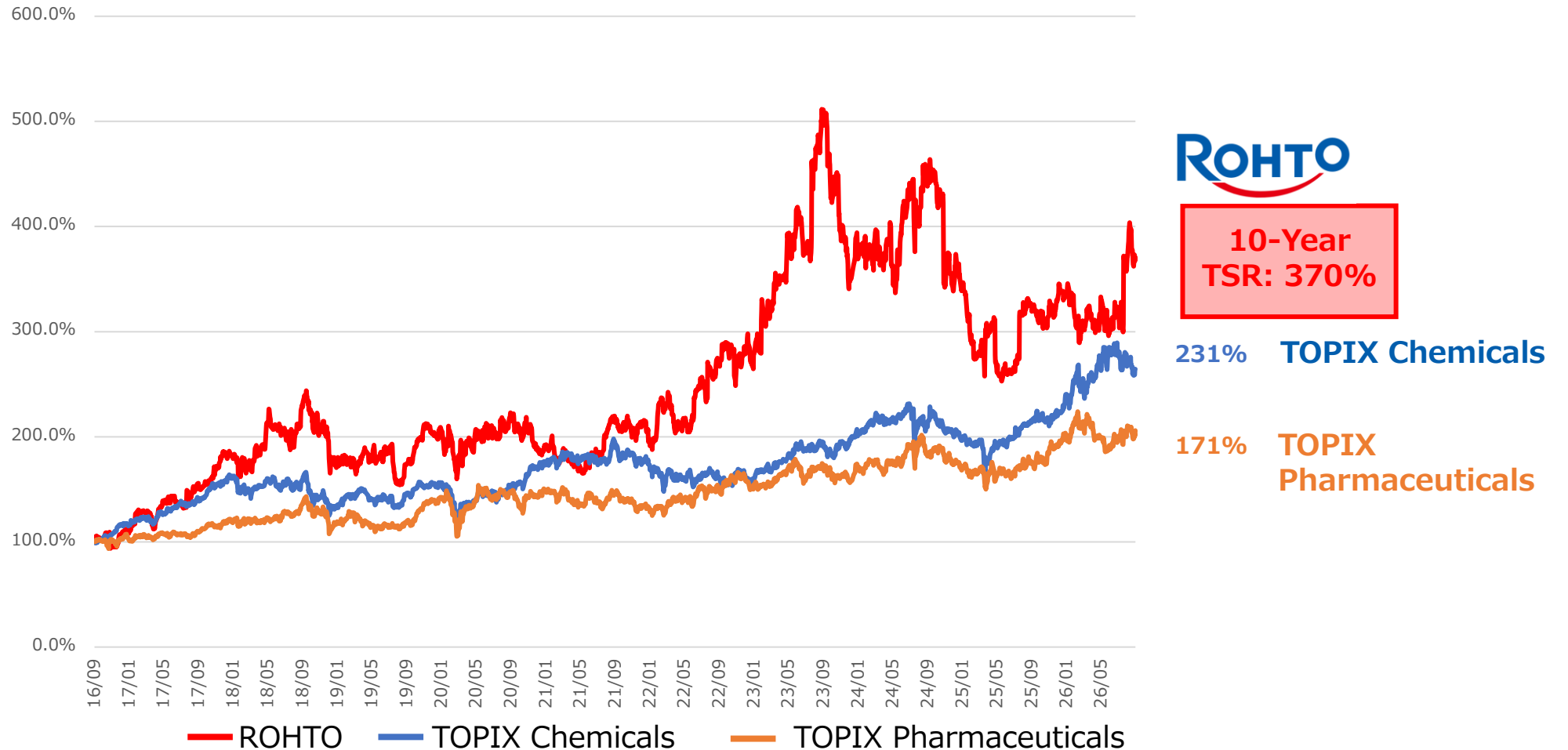
Vietnam: IQVIA, KANTAR volume data

Hong Kong: NIQ, Total Hong Kong

Shareholder Value Creation over the Past 10 Years

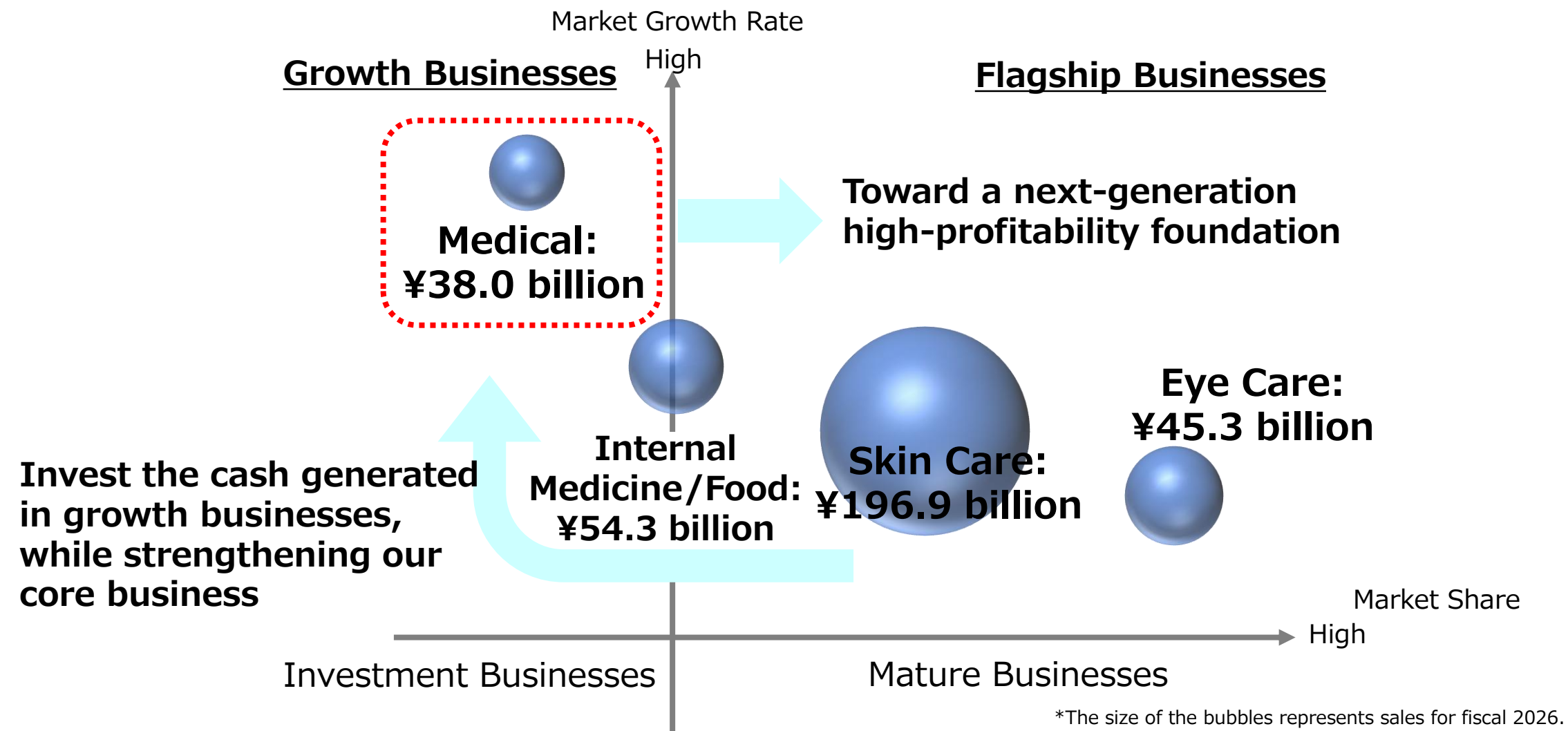
10-Year TSR Significantly Outperforms the Peer Average

Total Shareholder Return (Including Dividends)*10 years



Based on Bloomberg data. The TOPIX Chemicals and Pharmaceuticals index is one of 33 sector classifications. Stock price changes are calculated for the period from September 20, 2016, to September 17, 2026 (based on closing prices). Revenue and operating income are calculated as the weighted average of the most recent 12-month results for each constituent stock of the respective stock indices, based on data as of the end of March.

Reinvest cash generated from Eye Care, Skin Care, and Internal Medicine/Food businesses into high-profitability growth businesses such as Medical to build the next generation of ROHTO's earnings base.



Medium- to Long-Term Growth Strategy Progress

RoHTO

Medium- to Long-Term Growth Strategy: Basic Policy **Rohto**

Evolve Rohto Science to maximize profits in core self-care businesses.
Build a foundation for professional care and expand the circle of Well-being.

Core Businesses

Core Businesses (Global expansion & new fields)



Secure steady growth and profits in core Eye Care/Skin Care; establish new fields such as Hair Care



Growth Businesses

Deepen and expand technology and product capabilities



Drive sales and profit growth in the Internal Medicine / Health Food Business through Phyto-Science-based ingredients



Future Investments

Build foundations in medical fields



Build foundations in medical fields (Ophthalmology, Dermatology, Orthopedics & Musculoskeletal) to support ROHTO's growth over the next decade

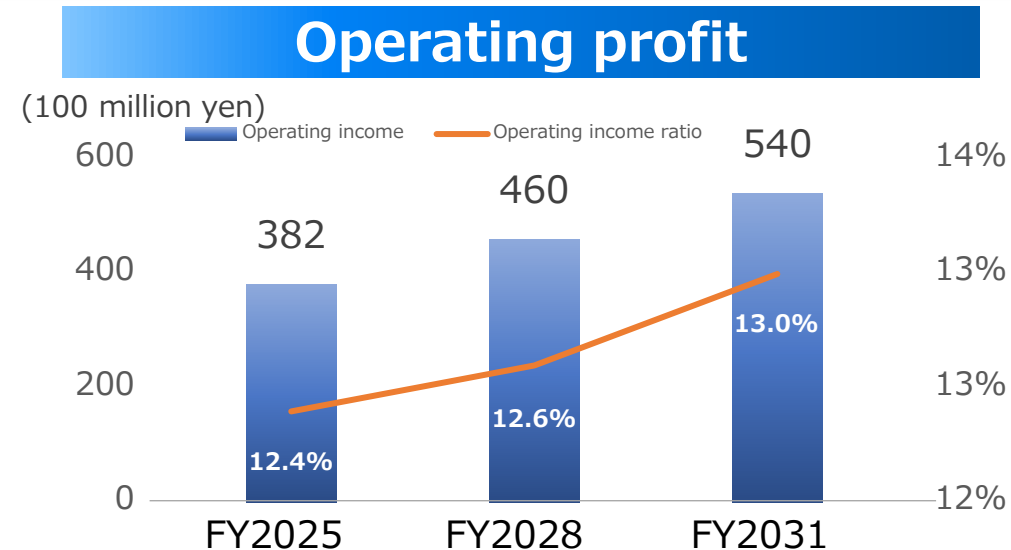
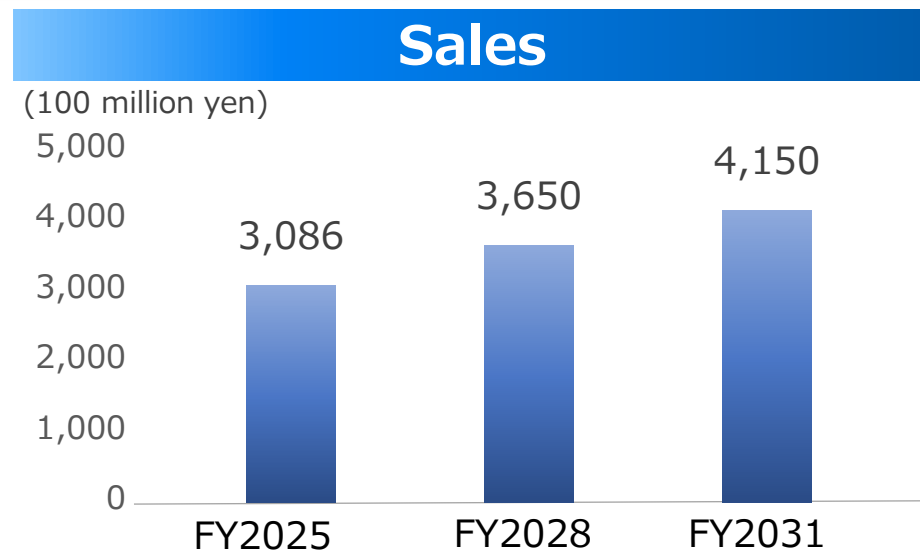


Medium- to Long-Term Growth Strategy: Consolidated Financial Forecast (At the time of formulation in 2025)



Forecast in FY2031: Sales ¥415 billion, Operating profit ¥54 billion

	FY2025	FY2028	FY2031
Sales (100 million yen)	3,086	3,650	4,150
Operating profit (100 million yen)	382	460	540
Operating profit ratio	12.4%	12.6%	13.0%
EBITDA margin	16.7%	17.9%	18.2%
Overseas sales	47%	50%	53%



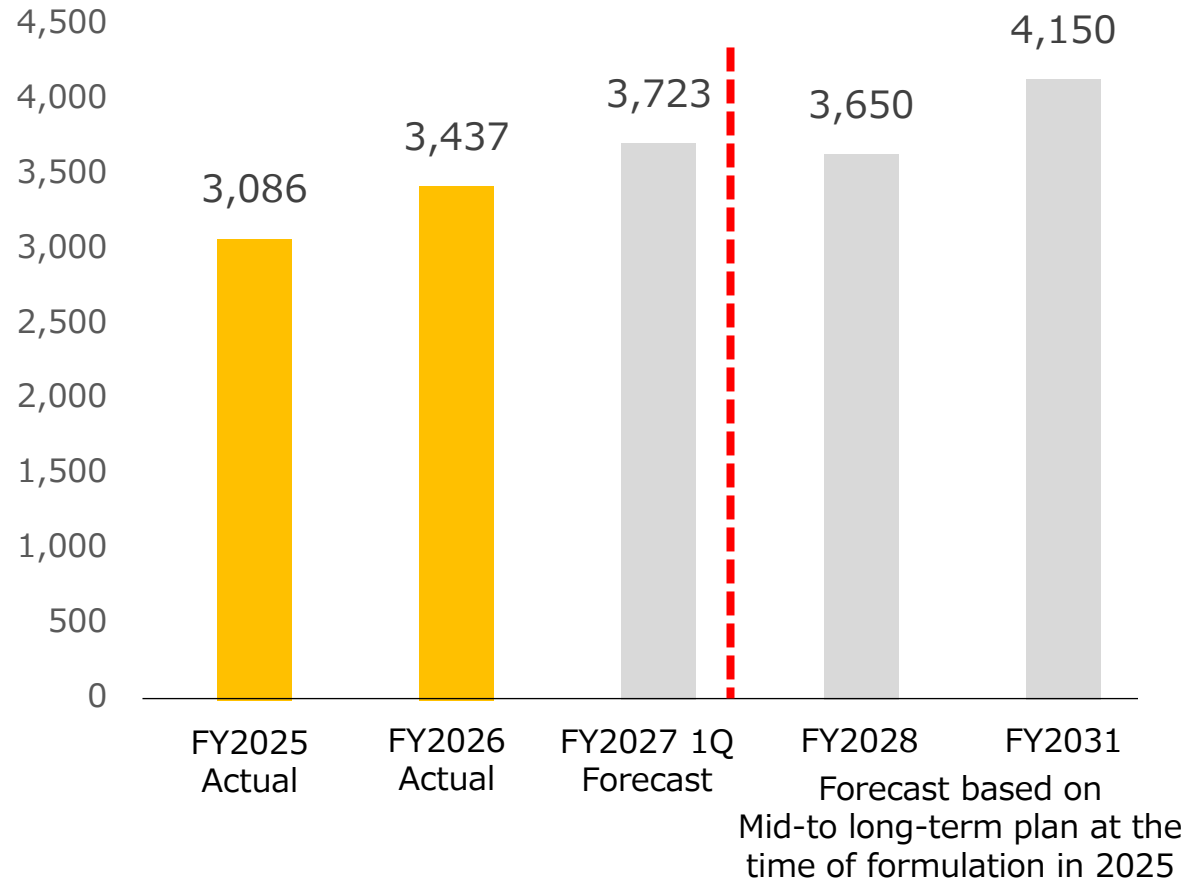
* Operating income and operating income margin (%) for FY2025 were calculated using figures that have been retroactively adjusted to reflect the finalization of the provisional accounting treatment related to the business combination that took place in the first quarter of FY2026.

Medium- to Long-Term Growth Strategy: Consolidated Financial Forecast

Expect to achieve original FY2028 sales forecast one year ahead of schedule.

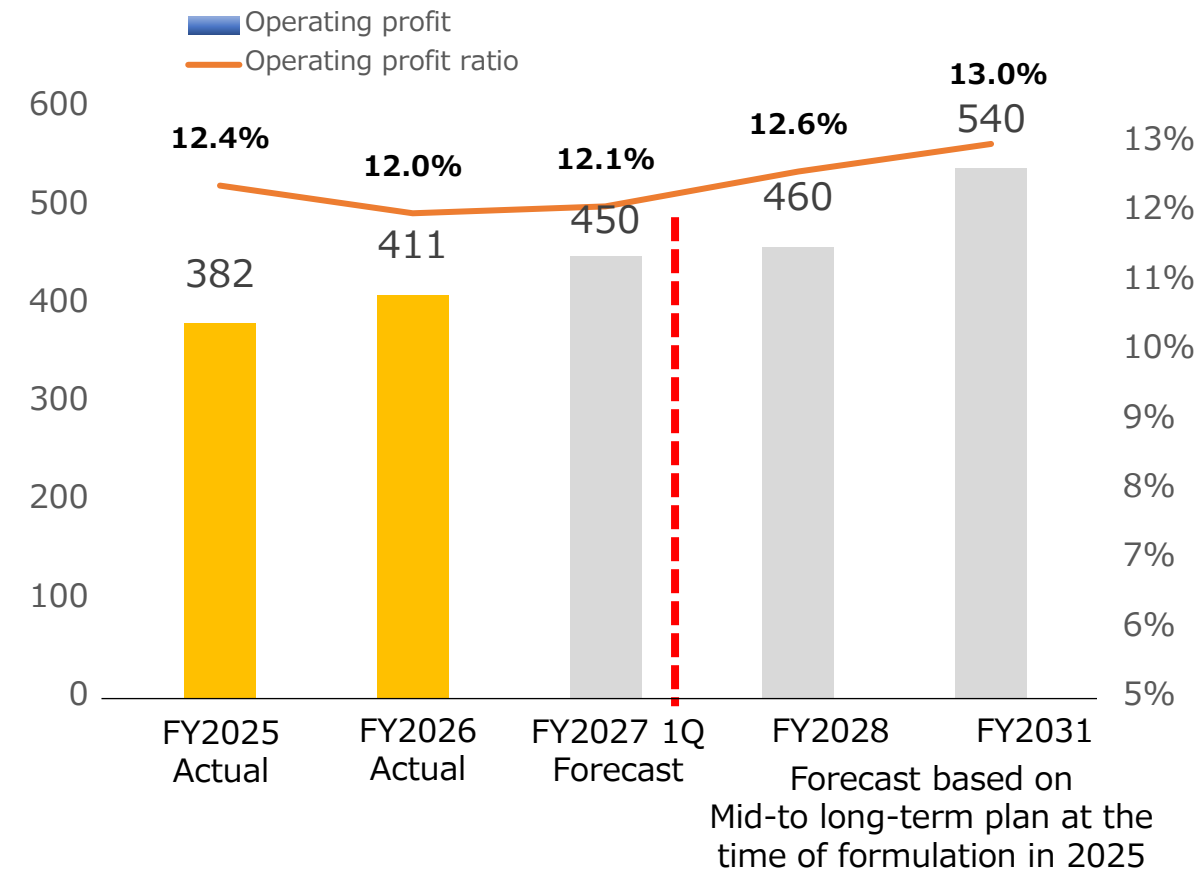
Sales

(100 million yen)



Operating profit

(100 million yen)



Medium- to Long-Term Growth Strategy 2026: Rolling Update 2026–2031



Medium- to Long-Term Growth Forecast: Update

For FY2028, sales are forecast to be ¥25.0 billion higher and operating profit ¥2.7 billion higher than the initial forecast.

Medium- to Long-Term Growth Forecast Announced in May 2025

	FY2025	FY2028	FY2031
Sales (100million yen)	3,086	3,650	4,150
Operating profit (100 million yen)	382	460	540
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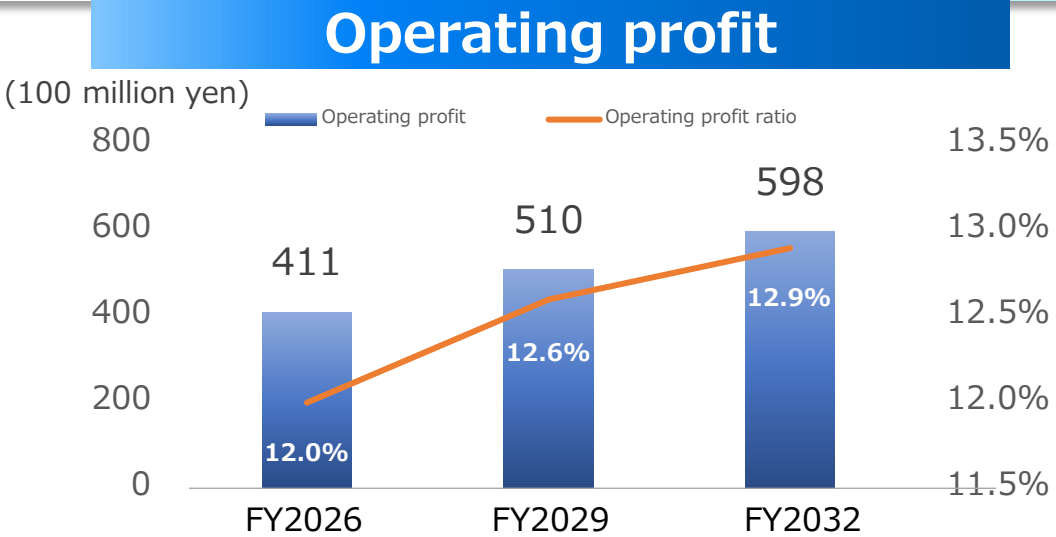
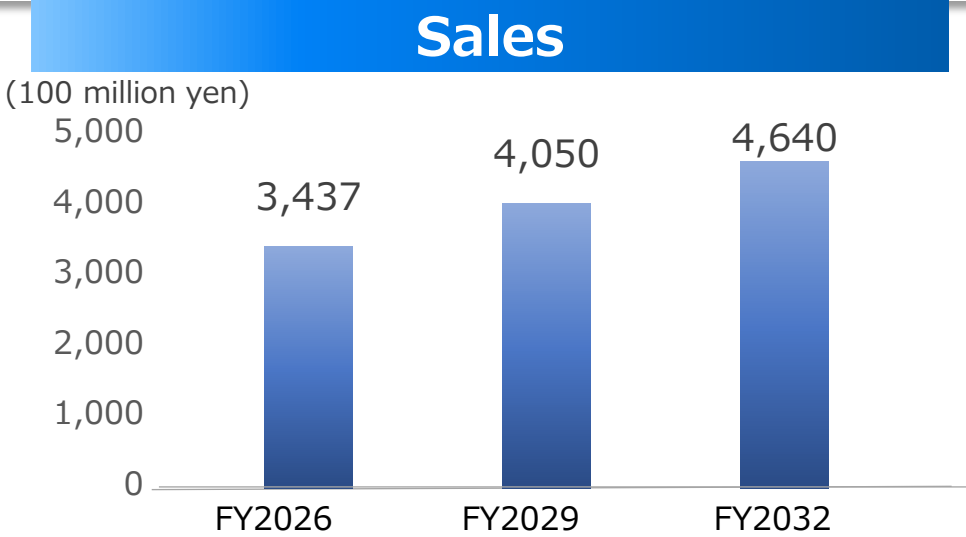
2026 Medium- to Long-Term Growth Forecast

Sales (100million yen)	3,086	3,900	4,440
Operating profit (100 million yen)	382	487	568
Operating profit ratio	12.4%	12.5%	12.8%
Overseas sales ratio	47%	54%	56%

Medium- to Long-Term Growth Strategy 2026: Update

Forecast in FY2032: Sales ¥464billion, Operating profit ¥59.8 billion

	FY2026	FY2029	FY2032
Sales (100 million yen)	3,437	4,050	4,640
Operating profit (100 million yen)	411	510	598
Operating profit ratio	12.0%	12.6%	12.9%
EBITDA margin	17.0%	17.7%	18.1%
Overseas sales ratio	51%	54%	56%
Dividend payout ratio	30.4%	36%	40%



1. Price Revisions

We have implemented two rounds of price revisions over the past year, yielding steady results. We will continue to pursue price revisions both in Japan and overseas going forward.



2. Improving Production Efficiency

Optimize production SKUs and shift production in-house to mitigate increases in the cost of sales ratio caused by higher raw material costs.

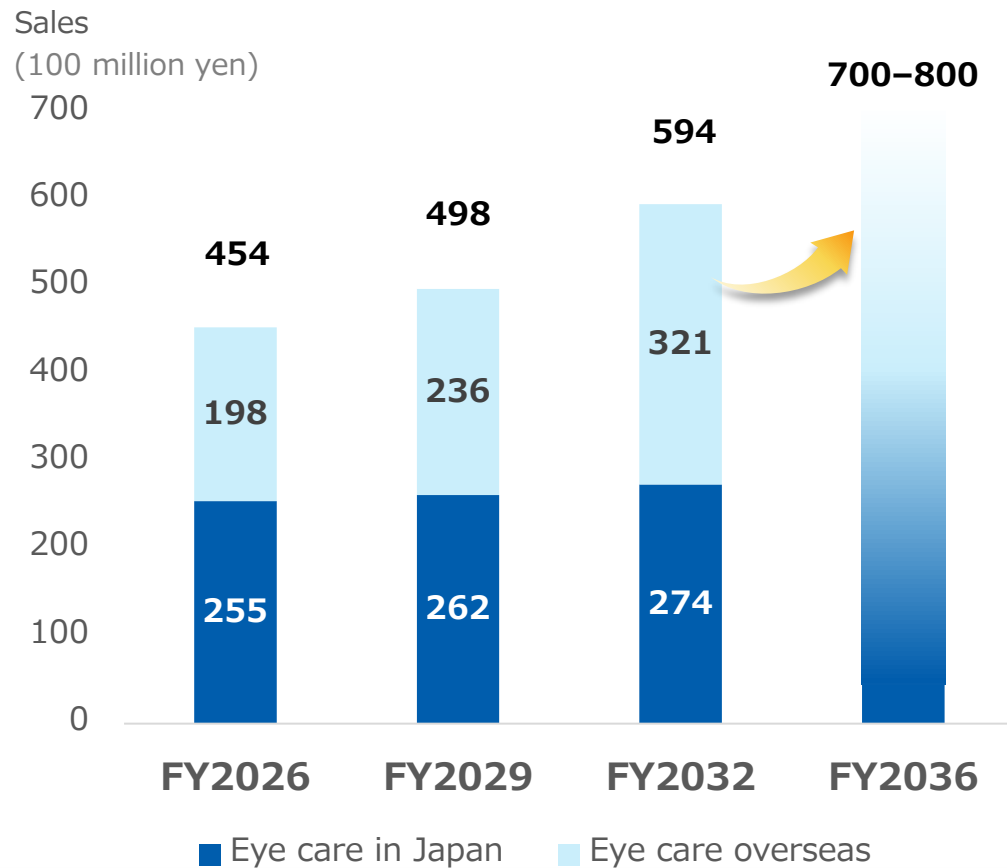
3. Strengthening Human Capital

Increasing investment in employees, including HR systems and training, to drive productivity improvements.

Eye Care Business

Leveraging strong production capacity to capture new demand in Japan and expand overseas, particularly across Asia and into Europe

Eye Care excluding ophthalmological products



Japan

- Create high-value-added markets by switching prescription ingredients to OTC products
- Expand the user base by raising awareness of eye care



Overseas

- Expanding distribution of Rohto eye drops to Asia, Europe, and the Middle East, following Kenya and Thailand.

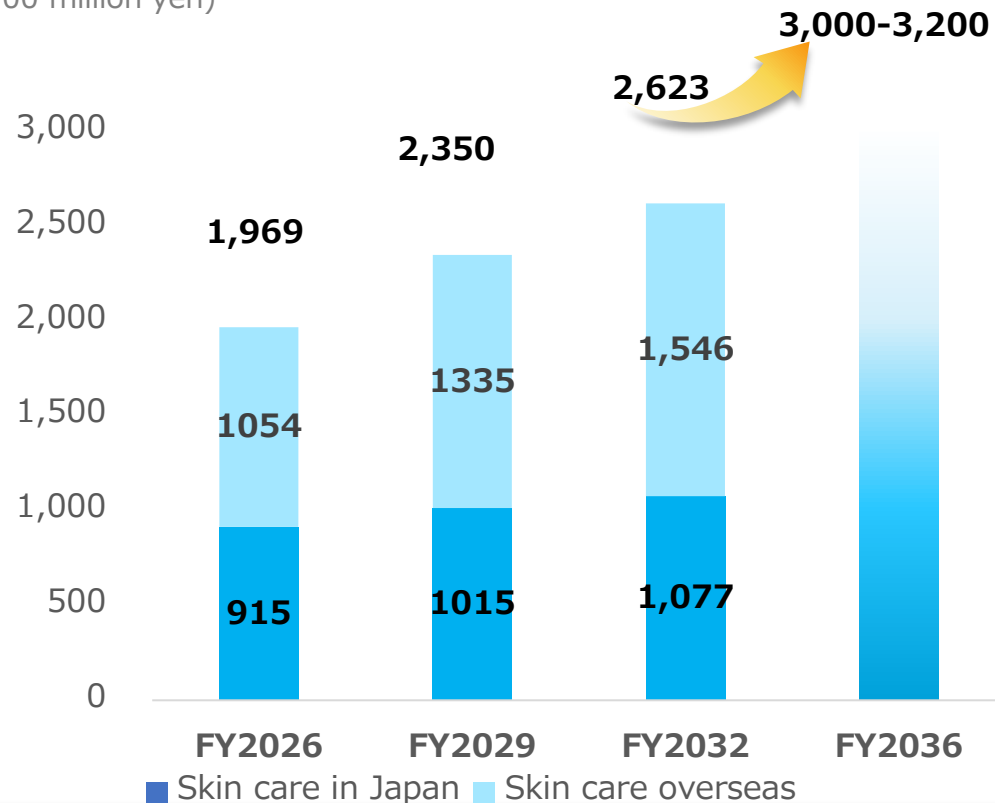


Skin Care Business

Launch high-value-added products based on skin science and make a full-scale entry into Hair Care by leveraging the Rohto Group's research expertise and technologies.

Skin Care

Sales
(100 million yen)



Japan

- Providing high-value-added products through longevity skincare, utilizing our proprietary pharmaceutical quality and cellular technologies
- Developing new products capturing clinic trends
- Exploring novel active ingredients for quasi-drugs
- Expanding functional hair care products



Overseas

- Expanding Hair Care businesses such as Selsun and 50 Megumi
- Expanding Hadalabo Tokyo globally with a focus on Europe



Function-first product development to draw out skin's inherent beauty from both active ingredient and cell technology approaches

Maximizing the strength of having in-house R&D Further exploration and refinement of functional ingredients

- Rohto's skin research belief that "True beauty comes from health."
- Aiming to be the No. 1 brand preferred because 'It's Rohto Pharmaceutical'

3 key functional ingredients

Antioxidant



Vitamin C

Hydration



Hyaluronic acid

Barrier



Ceramide

Exploring cell technology to bring out the skin's natural beauty

- Rohto's proprietary mechanism analysis of skin homeostasis using cell preparation technology

Application of stem cell and natural product culture fluid technology



Regenerative Medicine Research Insights × Longevity



- Insights from regenerative medicine and cell-processing research suggest that intercellular signaling contributes to skin longevity
- Research has shown that exosomes are involved in mechanisms that bring out the skin's natural beauty
- Identified a range of functions, including support for the skin barrier, antioxidant effects, and inflammatory care
- Focus on highly safe, plant-derived phyto-exosomes

Further Growth of Skin Care Business

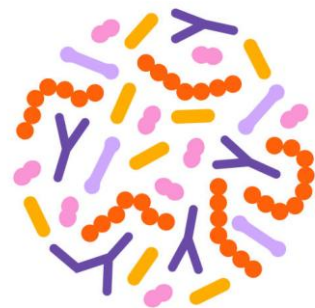
Expanding Rohto's cutting-edge technology to mass-self value-added lines. Solidifying our position in the skincare market and aiming to improve brand value and profitability

Phyto-Exosome Technology

Algae-derived



Fermentation
-derived



Introduction to mass-self brands

Introduce to mass-self brands serving as our pillar

- Improve brand value and expand market share
- Improve profitability by developing high-value-added lines in mass-self

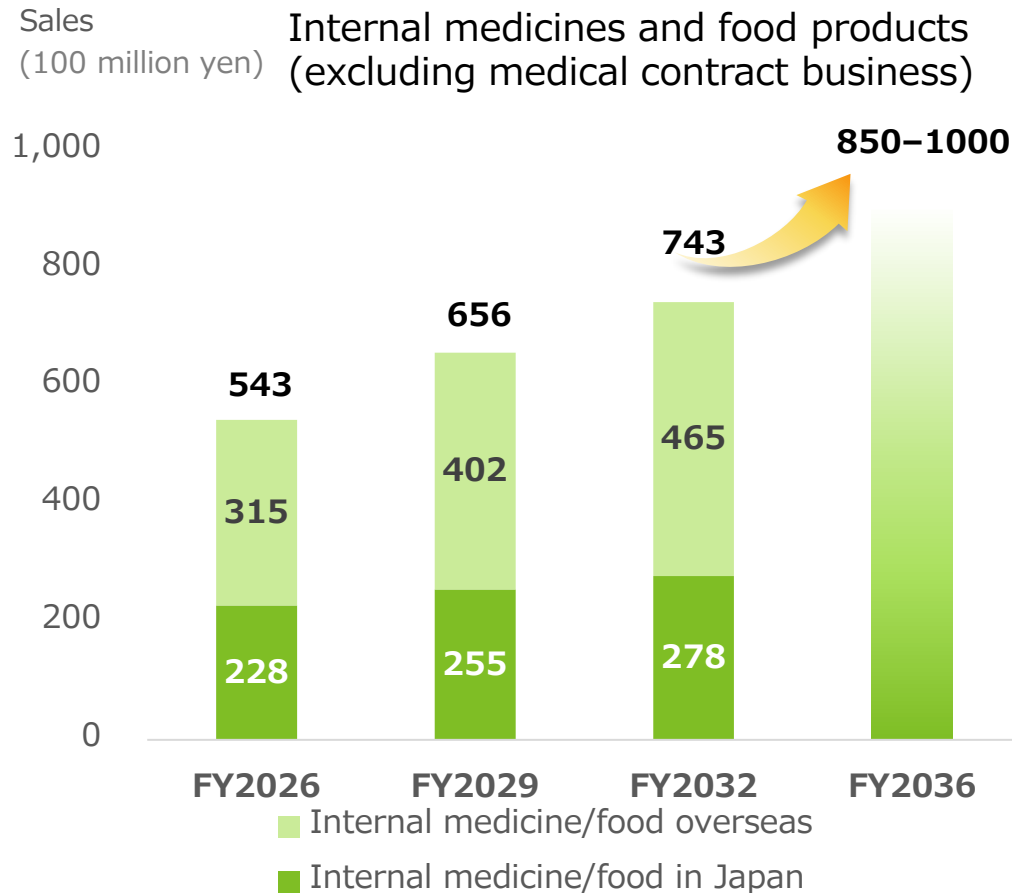


Obagi®

Internal Medicine/Food Business

Expand functional supplements based on Phyto-Science and maximize growth by leveraging synergies between Eu Yan Sang (EYS) and Mentholatum.

Internal medicine/ Food



Japan

- Expanding science-based functional supplements
- Developing products containing proprietary functional ingredients, centered on the V5 brand leveraging our strengths in eye care



異所性脂肪

Active-Healthy-Life
METAP

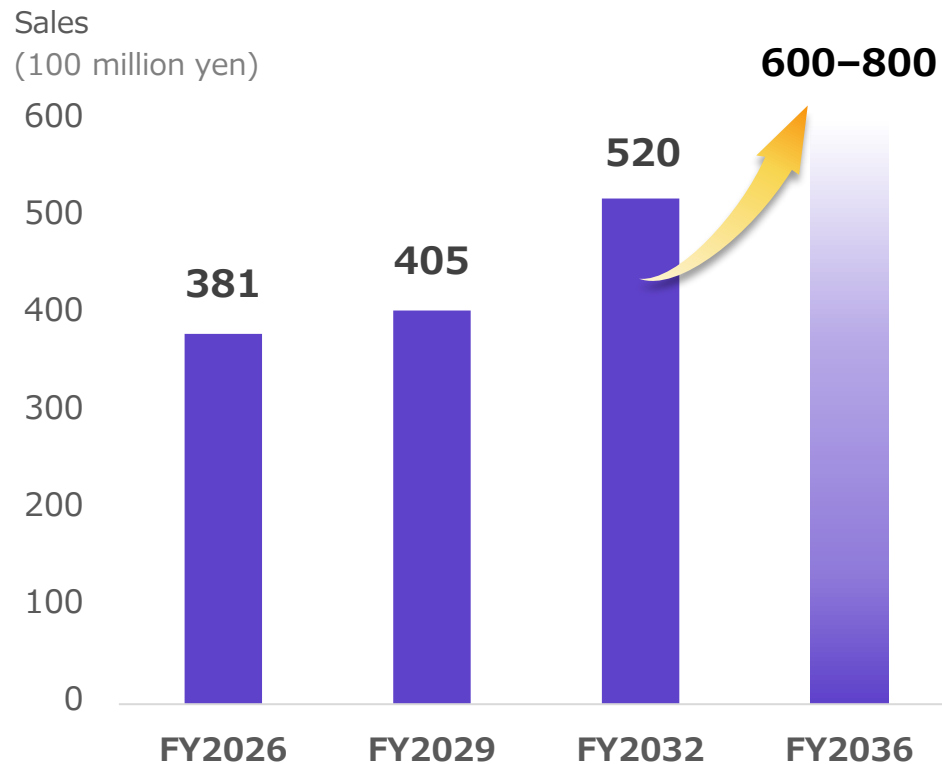
Overseas

- New product launches by EYS in Asia
- Geographic expansion using Mentholatum sales channels



Leveraging revenues from prescription drug and CDMO manufacturing to drive new growth pillars in ophthalmic drugs and regenerative medicine.

Medical business



■ Prescription ophthalmology

- File for manufacturing and sales approval for ROH101

■ Regenerative medicine

CDMO

- Contract manufacturing of Human Life CORD Japan and clinical trial products for ReEir
- Contract manufacturing of RAYMEI's iPS cell-derived corneal epithelial cell sheets

■ Medical devices

Wearable medical devices for overactive bladder treatment launching in China in June 2026

Capital Policy and Cash Allocation (6 Years: FY2027–2032)

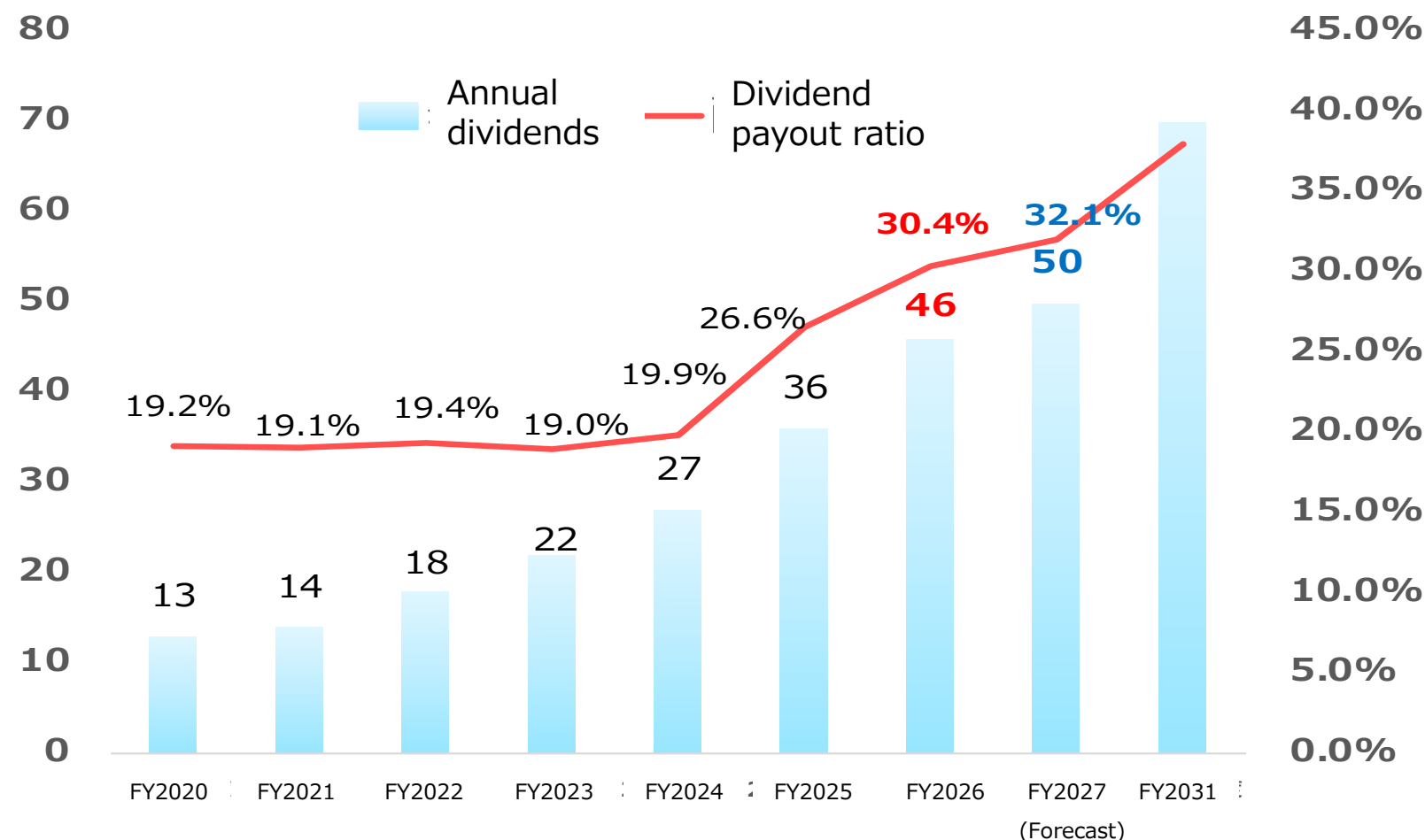
Reallocate cash, focusing on growth investments aimed at increasing operating cash flow and further enhancing corporate value

Inflows	Outflow Uses	Amount	Policy
Borrowings (¥20 billion)			
Operating cash flow (before R&D expenses) ¥380.0 billion			
	Growth investments	Capital expenditures ¥110.0 billion	- Expand eye care production in China - Expand domestic production facilities
		R&D expenses ¥100.0 billion	- R&D investment to further accelerate core business - Identification of bioactive components such as exosomes - Invest in regenerative medicines and medical eye drops, which are the next pillars
		DX/IT investments ¥35.0 billion	DX/IT investment to increase productivity per employee
		M&A investments ¥70.0 billion	Strengthen business foundations, achieve business synergies, and enter new fields
	Shareholder returns	Dividends, etc. ¥85.0 billion	- 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

Shareholder Returns

Implementing continuous and stable dividend increases without being affected by temporary profit fluctuations. Projected to reach a dividend payout ratio of 40% by FY2031.

Dividend per share (yen)



Dividend Payout Ratio
over **30%**

DOE
Over **3.5%**

The Company acquired EYS in 2024 and now EYS has joined the Rohto Group. How will EYS contribute to enhancing Rohto's corporate value over the medium to long term?



EYS's Future Growth Strategy



- Growth drivers in the internal medicine and food categories, which are the pillars of our next growth strategy
- A leading company in Phyto-Science based on TCM*
- Leverage EYS's strong brand equity in Asia to expand globally

Geographic expansion and channel mix

Geographic expansion using the Group's sales channels

- Japan
- Mentholatum distribution networks (China, US, and Australia)



Accelerating the development of health solution

Further strengthen our core business

(Foods, supplements, TCM remedies)



×

Taking on new ventures by leveraging Rohto's development capabilities

Phyto skincare
(Directly managed store)

Longevity business
(Clinic)

Strengthen the management foundation to improve profitability

Profitability enhancement

1. Reduce cost

- Cost ratio improvement via in-house manufacturing

2. Reduce fixed cost

- Reducing labor costs by streamlining group functions
- Reducing inventory, optimizing warehouse space

3. Increase sales

- SKU optimization and e-commerce expansion

*TCM: Traditional Chinese Medicine

What is ROHTO's strategy for the Medical Business, including prescription ophthalmic drugs and Regenerative medicine, and what are the key decision criteria and future outlook?

Strategy:

Leveraging synergies with our core businesses to develop innovative solutions to societal challenges and unmet medical needs, focusing on areas where ROHTO can establish a strong market position.

Key Decision Points:

Board-led decision-making at each development milestone to maximize investment efficiency based on:

- **Scientific and ethical validity and competitive advantage**
- **Clinical value and probability of success (PoS)**
- **Commercial viability (Market size, growth, competitive landscape, expected drug pricing, and global rollout)**

Expand around unmet needs in areas highly compatible with core businesses

Ophthalmology

Dermatology

Musculoskeletal, Longevity

Existing business

- OTC Eye care No.1 share
- Lacrimal tube No.1 share
- Collaboration with ophthalmologists



- Skin care No. 1 share
- OTC Dermatological Products No.2 share
- Collaboration with dermatologists



- Oral medicine
- Japanese and Chinese herbal prescriptions
- Academic partnerships



Medical business

- Ophthalmic drugs
- Medical device
- Regenerative medicine



- Derma skin care
- Medical device
- Regenerative medicine



- Medical device
- Regenerative medicine



Pipeline

CDMO and other collaborative projects

- ROH101: CMV, corneal endotheliitis
- ROH201: Vernal keratoconjunctivitis

- RAYMEI Inc.: Allogeneic iPS cell-derived corneal epithelial cell sheets
- PharmaBio Co., Ltd.: Mesenchymal Stem Cell Sheet for Chorioretinal Atrophy



- Dermacept RX



- ReEir Co., Ltd.: Contract manufacturing of cells for an investigational product intended for patients with refractory ischemic leg ulcers



- Cartilage cell kit: Traumatic cartilage defects, Osteoarthritis
- Human Life CORD Japan Inc.: Contract manufacturing of cells for investigational products for idiopathic pneumonia syndrome



Medical Business: Progress of the Medical Pipeline

Focusing on unmet needs, we are concentrating on a pipeline of projects with strong business potential and competitiveness

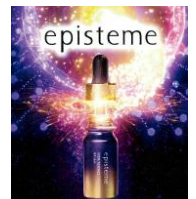
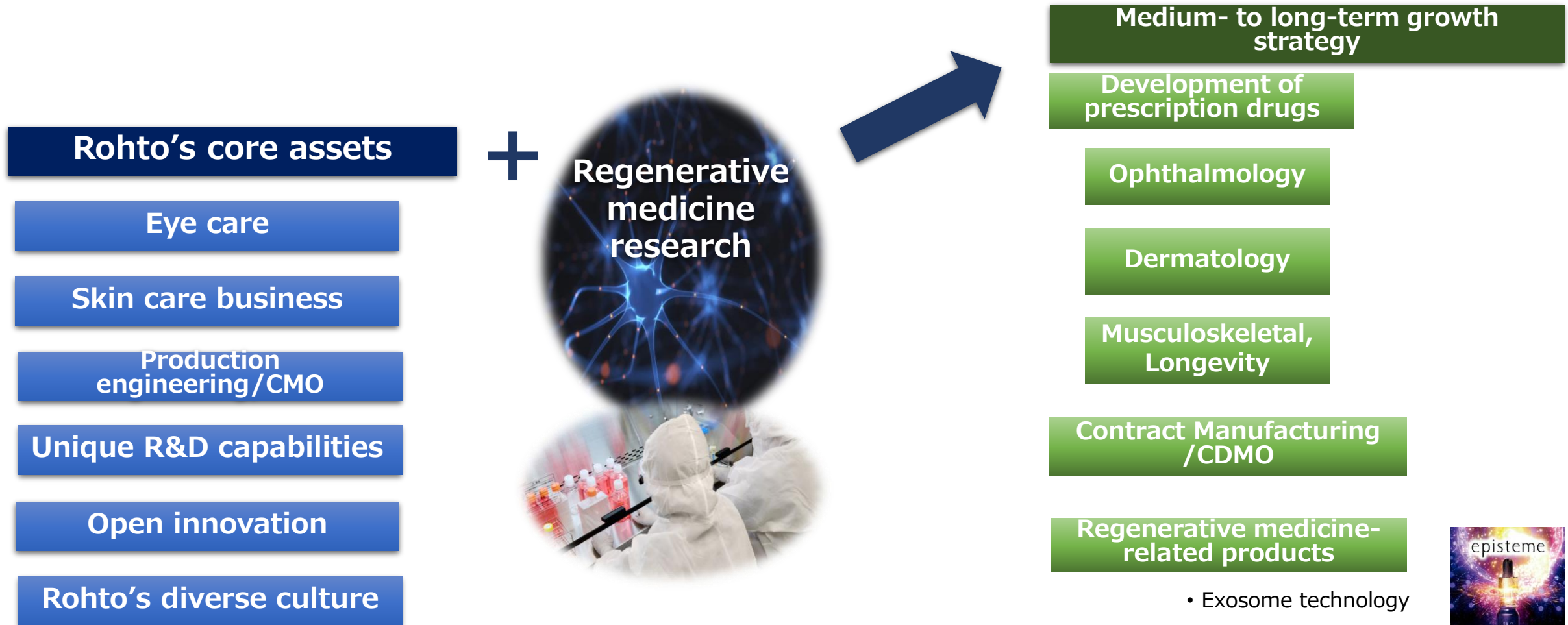
Ophthalmology

Products under development	Indications	Current development policy
ROH101 Virgan	Cytomegalovirus (CMV) corneal endotheliitis	A regulatory application was submitted in April 2026, and the review is progressing as planned.
	Herpes simplex virus (HSV) keratitis	Consultations with regulatory authorities are underway toward submission for approval.
ROH201	Vernal keratoconjunctivitis (VKC)	Phase 2 trials have been completed, and preparations for Phase 3 trials are underway.
	Dry eye	Phase 2 trial completed; development plans under review
ROH001	Myopia suppression	The Phase 2 trial is proceeding as planned

Regenerative medicine

Human adipose-derived stem cells	Severe cardiac failure	The Phase 2 clinical trial in Japan is proceeding as planned
	Kidney diseases	Identify patient populations likely to benefit from the treatment and continue development
	Cirrhosis of the liver, Critical limb ischemia, Lung fibrosis	Based on the clinical trial data obtained to date, currently evaluating this, including the possibility of licensing.
Human umbilical cord-derived stem cells	Neurodegenerative diseases	Based on the clinical trial data obtained to date, currently evaluating this, including the possibility of licensing.
Autologous chondrocytes	Traumatic knee cartilage defects	Preparing for regulatory submissions
Allogeneic chondrocytes	Cartilage defect of knee osteoarthritis	A Phase 2 clinical trial is currently underway

Strategic businesses that leverage ROHTO's core assets—including R&D capabilities, human capital, and external partnerships—to create distinctive competitive advantages



ROHTO has completed a number of acquisitions in recent years. What is the overall M&A strategy?

Strategy:

Partner with or acquire companies that possess technologies, brands, or patents that can enhance ROHTO's corporate value, as well as businesses, distribution channels, or geographic capabilities that ROHTO does not currently have, thereby accelerating sustainable growth for both parties.

M&A Target Criteria

- Established local companies that can accelerate the growth of ROHTO's core businesses in strategic regions**
- Focus on mid-sized transactions**
- Further accelerate global expansion, with a particular focus on Europe**

Strategically pursue M&A opportunities that accelerate the growth of core businesses in each region



Japan

Proactive Investment: Accelerating Core Business Growth and Pursuing New Business Opportunities

Accelerating collaboration on new business ventures

- Capital alliances with R&D companies that possess proprietary technologies and patents

Past M&A

Rohto Nitten, Amato Pharmaceutical, Qualitech Pharma, OP Bio Factory, Obagi (brand), Interstem, etc.



Europe

Proactive investment: Advancing the eye care and skin care businesses

Establishing eye care and skin care businesses, shifting from a portfolio centered on anti-inflammatory and analgesic drugs

- Expanding market share in the large dry eye market, with Mono serving as the hub
- Expanding sales in the European skin care market, centered on Hadalabo Tokyo

Past M&A

Dax Cosmetics, Mono, Magic Cod

Directional Strategy for Global Business, Including M&A **ROHTO**

Strategically execute M&A of companies that accelerate core business growth in each region

Proactive Investment: Expanding into Phyto-Science

Further expansion of core businesses in eye care, skin care, and hair care

- Expansion of skin care, internal medicine, and food businesses based on Phyto-Science

Past M&A

EYS, THANN, Selsun (brand) etc.



Expanding the Eye Care Business

Expanding and strengthening businesses focused on ROHTO eye drops and Hadalabo Tokyo

Past M&A

Mentholatum, Hydrox Laboratories, Ophthalmos



Aisa



US

Agenda

01: Our Medium- to Long-Term Growth Strategy

Presenter: Hidetoshi Segi

**President and Representative
Director**



02: Insights from Our Outside Director

Presenter: Shoichiro Iwata

Outside Director



03: Overall Summary

Presenter: Kunio Yamada

**Chairman and Representative
Director**



It has been a year since Mr. Iwata became a director at Rohto Pharmaceutical. From your perspective, Mr. Iwata, what are ROHTO's distinctive characteristics, and how would you describe the discussions at Board meetings?

Key Points

- 1. Outside and inside directors engage in active and lively discussions at Board meetings**
- 2. Proactively and appropriately taking on strategic challenge**
- 3. Medium- to long-term corporate value creation is debated in Management Strategy Discussions**

Continuously strengthen ROHTO's governance framework to support sustainable growth in corporate value.

	FY2025		After FY2026	Activities
Number of Outside Directors	4	▶	5	Mr. Iwata has been newly appointed as an outside director to strengthen the Company's management and governance
Nomination/Compensation Committee	Chair of Nomination Committee: Outside Director	▶	Chair of Nomination/Compensation Committee: Outside Director	Change to a Nomination/Compensation Committee, with the chair being an outside director, and continue to have outside directors constitute a majority of the committee
	Chair of Compensation Committee: Chairman and Representative Director	▶		
Risk/Compliance Committee	Compliance Committee	▶	Risk/Compliance Committee	A committee that comprehensively promotes and deliberates on the management of various risks faced by the Company, as well as compliance with laws, regulations, and social norms
Outside Director Review Committee		▶	Newly established	To strengthen oversight functions, a new voluntary review committee consisting solely of independent outside directors has been established

Three actions by outside directors to enhance the effectiveness of the Board of Directors

(1) Management Strategy Discussions

- Chaired by Outside Director to discuss management strategy freely from a medium- to long-term perspective

(2) Executive Sessions

- Hold executive sessions with outside directors and auditors to review each Board meeting and feed back ideas to improve effectiveness.

(3) Independent Outside Director Review Committee

- Consisting solely of independent outside directors, this body discusses governance and long-term value creation, providing feedback to the Board.



How does the Board of Directors operate regarding meeting frequency, duration, deliberation process, and level of discussion, and what impact do these deliberations have on actual business operations? Please provide specific examples.

Agenda

01: Our Medium- to Long-Term Growth Strategy

Presenter: Hidetoshi Segi

**President and Representative
Director**



02:

Presenter: Shoichiro Iwata

Outside Director



03: Overall Summary

Presenter: Kunio Yamada

**Chairman and Representative
Director**



Rohto