

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2011
(Six Months Ended September 30, 2010)

[Japanese GAAP]

Company name: ROHTO Pharmaceutical Co., Ltd.	Stock Exchange listing: TSE/OSE, First Section
Stock code: 4527	URL: http://www.rohto.co.jp
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Scheduled date of filing of Quarterly Report:	November 12, 2010
Scheduled date of dividend payment:	December 9, 2010
Preparation of supplementary materials for quarterly financial results:	Yes
Holding of quarterly financial results meeting:	Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results (April 1, 2010 – September 30, 2010)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2010	52,531	(0.0)	5,350	1.7	5,591	2.6	3,606	16.3
Six months ended Sep. 30, 2009	52,554	1.7	5,259	17.8	5,450	20.7	3,100	12.7

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2010	30.67	30.54
Six months ended Sep. 30, 2009	26.36	26.25

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2010	120,540	74,562	61.3	628.55
As of Mar. 31, 2010	120,770	73,672	60.5	621.03

Reference: Shareholders' equity (Millions of yen): Sep. 30, 2010: 73,906 Mar. 31, 2010: 73,023

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2010	-	7.00	-	7.00	14.00
Fiscal year ending Mar. 31, 2011	-	7.00	-	-	-
Fiscal year ending Mar. 31, 2011 (forecast)	-	-	-	7.00	14.00

Note: Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	113,000	(0.4)	12,000	(4.3)	12,200	(4.5)	7,500	(3.5)	63.78

Note: Revision of consolidated forecast during the period: Yes

4. Others (Please refer to “Other Information” on page 5 of the attachments for further information)

(1) Changes in significant subsidiaries during the period: None

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods for preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures and presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures and presentation methods, etc. for preparation of quarterly consolidated financial statements described in “Change in Significant Accounting Policies in the Preparation of Quarterly Consolidated Financial Statements”

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at end of period (including treasury stock):

Sep. 30, 2010:	117,907,528 shares	Mar. 31, 2010:	117,907,528 shares
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2) Treasury stock at end of period:

Sep. 30, 2010:	325,008 shares	Mar. 31, 2010:	321,781 shares
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3) Average number of shares outstanding during the period:

Six months ended Sep. 30, 2010:	117,584,419 shares	Six months ended Sep. 30, 2009:	117,609,807 shares
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* Indication of quarterly review procedure implementation status

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have not completed the review process for these consolidated statements.

* Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. Actual results of operations may differ significantly from the forecasts depending on various factors. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 4 of the attachments “Qualitative Information Regarding Consolidated Forecast.”

(Reference)

Non-consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	74,500	2.2	10,100	(0.3)	10,600	0.9	6,800	8.9	57.83

Note: Revision of non-consolidated forecast during the period: Yes

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Six months ended Sep. 30, 2010	52,531	5,350	5,591	3,606
Six months ended Sep. 30, 2009	52,554	5,259	5,450	3,100
YoY change (%)	(0.0)	1.7	2.6	16.3

In the first half, a recovery trend was discerned in some sectors of the Japanese economy as government stimulus policies took effect and the emerging Asian economies grew. The harsh employment environment and deflation persisted, however, while fears of a further slowdown in the U.S. economy and the continuing sharp appreciation of the yen deepened uncertainty over the future.

In this situation, the Rohto Group is planning to move into new fields with customer-oriented development of new products and marketing activities. In its existing sectors, the Group endeavored to develop high value-added products and activate markets.

Within Japan, sales of the *Hada (skin) Labo* series sold well due to consumer purchasing activity emphasizing cost effectiveness, while midsummer products such as sunscreens performed strongly in the fierce heat. The lingering of the heat into late summer delayed shipping of the fall and winter product category (including lip balm), however, until October and beyond. Moreover, emergency demand for swine flu products the previous year led to a corresponding fall in related products, while the maturation of the metabolic syndrome market led to a fall in sales for the *Wakansen* brand of Chinese herbal medicines.

Overseas, sales fell due to exchange rate movements. As a result, net sales leveled to 52,531 million yen, slipping by the smallest fraction (of 0.0%) from one year earlier.

Regarding profits, decreased amortization of goodwill was offset by advertizing expenses increased for new brand promotion. As a result, operating income rose 1.7% year-on-year to 5,350 million yen. Ordinary income increased 2.6% to 5,591 million yen, and net income increased 16.3% to 3,606 million yen due to gains on sale of investment securities.

(Millions of yen)

		Net sales (External sales)			
		Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2010	YoY change (Amount)	YoY change (%)
Reportable segment	Japan	40,155	40,163	8	0.0
	North America	3,261	2,958	(303)	(9.3)
	Europe	2,070	2,053	(16)	(0.8)
	Asia	6,499	6,761	262	4.0
	Sub-total	51,986	51,937	(49)	(0.1)
Others		567	594	26	4.7
Total		52,554	52,531	(22)	(0.0)

Japan

External sales reached 40,163 million yen, a year-on-year rise amounting to 0.0%.

The outlook for the future remained uncertain due to such factors as deflation and the sudden appreciation of the yen. Moreover the harsh business environment persists, and consumers are tightening their belts as they grow increasingly security-conscious.

Regarding eye care products, sales for hay fever products fell due to a decline in pollen dispersal and for contact lens products due to intensifying competition. In the skincare products, the fierce heat of this summer contributed to sales of midsummer products, such as sunscreens, while beauty sector also performed strongly. Although sales of the *Obagi* series fell, the new *Hada Labo Nomu-Hiyaruron-San* (drinkable hyaluronic acid) joined the *Hada Labo* lineup, and the *Hada Labo es* skin-care series for sensitive skin was launched, greatly boosting total sales of beauty products. For internal medicines, sales of the core *Rohto Bofu-Tsusho-San* and *Rohto Boi-Ogi-Tojo* products underperformed due to stronger competition accompanying the maturation of the market for metabolic syndrome products, and fell for the *Wakansen* series, which had come to contribute greatly to the Chinese herbal medicine market.

Segment profits amounted to 5,008 million yen.

North America

External sales fell 9.3 % year-on-year to 2,958 million yen.

The harsh business environment continues, exacerbated by the yen's appreciation, the stubbornly high jobless rate in the U.S., and stagnant consumption. The eye drop sector, focused on "V-cool," performed well, but sales fell for "Soft Lips," the leading lip balm product.

Segment loss of 259 million yen was posted, despite the lessening of goodwill amortization, due to such factors as falling sales and rising promotional costs accompanying new product sales.

Europe

External sales fell 0.8% year-on-year to 2,053 million yen, due to the impact of the strong yen and other factors.

The *Deep Heat* antiphlogistic analgetic series performed strongly, selling well in Russia, Eastern Europe, and Africa while maintaining the previous year's level in the UK and central Europe.

Segment profits amounted to 183 million yen.

Asia

External sales performed well, especially in China, despite the impact of the strong yen, rising 4.0 % year-on-year to 6,761 million yen.

In the eye drop segment, sales rose due to aggressive marketing activities in China. In the core skincare products, new products in the *Sunplay* sunscreen and *Hada Labo* lineups contributed to the rise in sales. Sales of *Hada Labo* grew especially strongly, helped by the expansion of distribution routes focused on four major cities in China and expansion of the sales area to the ASEAN region.

Segment profits amounted to 556 million yen, tempered by a rise in costs accompanying full-scale development of the *episteme* department store brands and aggressive sales promotion.

Others

External sales rose 4.7% year-on-year to 594 million yen.

The core antiphlogistic analgetic product performed well, but sales of lip balm were sluggish.

Segment profits reached 10 million yen.

Reference: Sales by product and service segment.

Beginning with the first quarter in the current fiscal year, the Company is using business segments based on its internal management. Regarding reference data, sales by product and service segment are as follows.

(Millions of yen)

	Net sales			
	Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2010	YoY change (Amount)	YoY change (%)
Eye care products	12,308	11,830	(477)	(3.9)
Skincare products	30,275	30,922	647	2.1
Internal medicines	7,660	7,547	(113)	(1.5)
Others	2,309	2,230	(79)	(3.4)
Total	52,554	52,531	(22)	(0.0)

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the second quarter fell 230 million yen from the end of the previous fiscal year to 120,540 million yen. This was due to such factors as rises of 2,270 million yen in property, plant and equipment and 2,037 million yen in merchandise and finished goods set against falls of 3,207 million yen in notes and accounts receivable-trade and 2,372 million yen in investment securities.

Total liabilities fell 1,119 million yen from the end of the previous fiscal year to 45,978 million yen. This was due to such factors as rises of 1,362 million yen in notes and accounts payable-trade and 978 million yen in short-term loans payable set against falls of 2,080 million yen in current liabilities, 904 million yen in non-current liabilities and others, and 572 million yen in long-term loans payable.

Net assets rose 889 million yen from the end of the previous fiscal year to 74,562 million yen, due to such factors as falls of 1,327 million yen in valuation difference on available-for-sale securities and 596 million yen in translation adjustments set against a rise of 2,810 million yen in retained earnings.

(3) Qualitative Information Regarding Consolidated Forecast

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Fiscal year ending Mar. 31, 2011	113,000	12,000	12,200	7,500
Fiscal year ended Mar. 31, 2010	113,429	12,544	12,770	7,768
YoY change (%)	(0.4)	(4.3)	(4.5)	(3.5)

The second quarter's consolidated results show that the Company secured a rise in profits despite the fall in sales in the harsh business environment.

The full-year sales outlook is for a strong performance in Japan, despite the weak recovery in consumer spending, due in part to predictions of elevated pollen dispersal next spring. Overseas, sales are expected to fall due to the global downturn and the impact of exchange rates from the rapid rise of the yen.

Regarding profits, the Company is revising the full-year consolidated projections as above due to slow sales and our focus on developing new businesses and brands, which we consider to be the future growth drivers.

These forecasts are based on an exchange rate of 86 yen to the US dollar.

* The forecasts above have been prepared based on information available at the time this report was prepared. Actual results of operations may differ from the forecasts depending on various factors.

2. Other Information

(1) Overview of Changes in Significant Subsidiaries

No reportable information.

(2) Overview of Application of Simplified Accounting Methods and Special Accounting Methods

1) Simplified accounting methods

Calculation method of depreciation expense for fixed assets

For assets subject to the declining balance method, depreciation for the period was calculated pro rata based on the amount for the full year.

2) Special accounting methods for preparation of quarterly consolidated financial statements

Calculation of tax expense

Tax expense was calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to income before income taxes and minority interests during the fiscal year, and multiplying that rate by the quarterly income before income taxes and minority interests.

Deferred income taxes were included and displayed with income taxes.

(3) Overview of Changes in Accounting Principles, Procedures, Presentation Methods, etc.

1) Changes caused by revision of accounting standards

Accounting standard for asset retirement obligations

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

The effect of this change was to decrease operating income and ordinary income by 6 million yen each and income before income taxes and minority interests by 36 million yen.

Presentation of financial statements

(Consolidated statements of income)

Following the application of “Cabinet Office Ordinance Partially Revising Regulation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008,) an item “Income before minority interests” is presented in the first half of the current fiscal year.

2) Other changes

No reportable information.

3. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of yen)

	Second quarter of FY3/11 (As of Sep. 30, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	13,565	13,373
Notes and accounts receivable-trade	24,904	28,111
Marketable securities	5	-
Merchandise and finished goods	11,412	9,374
Work in process	949	936
Raw materials and supplies	5,275	4,974
Other	4,774	3,834
Allowance for doubtful accounts	(172)	(122)
Total current assets	60,713	60,483
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	16,986	16,275
Machinery, equipment and vehicles, net	6,430	5,887
Other	14,123	13,106
Total property, plant and equipment	37,539	35,269
Intangible fixed assets		
Goodwill	1,247	1,353
Other	1,342	1,449
Total intangible fixed assets	2,590	2,802
Investments and other assets		
Investment securities	16,075	18,448
Other	3,691	3,849
Allowance for doubtful accounts	(70)	(83)
Total investments and other assets	19,696	22,214
Total fixed assets	59,826	60,286
Total assets	120,540	120,770
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,047	8,685
Short-term loans payable	4,505	3,527
Accrued income taxes	2,562	2,601
Reserve for bonuses	1,726	1,732
Reserve for directors' bonuses	15	30
Reserve for returned goods unsold	663	620
Reserve for rebates of sales	2,020	1,788
Other	16,121	18,202
Total current liabilities	37,662	37,187

(Millions of yen)

	Second quarter of FY3/11 (As of Sep. 30, 2010)	FY3/10 Summary (As of Mar. 31, 2010)
Non-current liabilities		
Long-term loans payable	4,049	4,621
Reserve for retirement benefits	1,583	1,703
Reserve for directors' retirement benefits	98	96
Other	2,583	3,488
Total non-current liabilities	8,315	9,910
Total liabilities	45,978	47,097
Net assets		
Shareholders' equity		
Capital stock	6,398	6,398
Capital surplus	5,517	5,517
Retained earnings	63,633	60,822
Treasury stock	(264)	(261)
Total shareholders' equity	75,285	72,478
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,371	4,698
Translation adjustments	(4,749)	(4,153)
Total valuation and translation adjustments	(1,378)	545
Stock acquisition rights	593	593
Minority interests	61	55
Total net assets	74,562	73,672
Total liabilities and net assets	120,540	120,770

(2) Consolidated Statements of Income
(For the Six-month Period)

(Millions of yen)

	First six months of FY3/10 (Apr. 1, 2009 – Sep. 30, 2009)	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)
Net sales	52,554	52,531
Cost of sales	22,334	22,278
Gross profit	30,219	30,252
Provision of reserve for returned goods unsold	23	43
Gross profit -net	30,196	30,209
Selling, general and administrative expenses	24,936	24,858
Operating income	5,259	5,350
Non-operating income		
Interest income	23	38
Dividend income	162	285
Foreign exchange gains	183	13
Equity in earnings of affiliates	16	67
Other	47	43
Total non-operating income	433	448
Non-operating expenses		
Interest expenses	193	152
Other	49	54
Total non-operating expenses	242	207
Ordinary income	5,450	5,591
Extraordinary income		
Gain on sales of investment securities	-	693
Reversal of allowance for doubtful accounts	28	-
Total extraordinary income	28	693
Extraordinary losses		
Loss on sales of non-current assets	-	129
Loss on sales of investment securities	-	56
Loss on valuation of investment securities	284	24
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	30
Total extraordinary losses	284	241
Income before income taxes and minority interests	5,193	6,042
Income taxes	2,085	2,444
Income before minority interests	-	3,598
Minority interests in income or loss	8	(7)
Net income	3,100	3,606

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of FY3/10 (Apr. 1, 2009 – Sep. 30, 2009)	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)
Cash flows from operating activities		
Income before income taxes and minority interests	5,193	6,042
Depreciation and amortization	2,241	1,992
Amortization of goodwill	667	105
Increase (decrease) in allowance for doubtful accounts	(27)	55
Increase (decrease) in reserve for bonuses	8	(5)
Increase (decrease) in reserve for directors' bonuses	(15)	(15)
Increase (decrease) in reserve for retirement benefits	84	(84)
Increase (decrease) in reserve for returned goods unsold	23	43
Increase (decrease) in reserve for rebates of sales	90	232
Loss (gain) on sales of fixed assets	-	129
Loss (gain) on sales of investment securities	-	(636)
Loss (gain) on valuation of investment securities	284	24
Interest and dividend income	(185)	(323)
Interest expenses	193	152
Equity in (earnings) losses of affiliates	(16)	(67)
Decrease (increase) in notes and accounts receivable-trade	1,372	2,491
Decrease (increase) in inventories	(2,303)	(2,830)
Increase (decrease) in notes and accounts payable-trade	1,147	1,426
Other	(2,504)	(1,608)
Subtotal	6,255	7,123
Interest and dividends income received	178	294
Interest expenses paid	(193)	(152)
Income tax paid	(1,591)	(2,627)
Net cash provided by operating activities	4,648	4,638
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,396)	(4,291)
Purchase of intangible fixed assets	(295)	(159)
Purchase of investment securities	(132)	(358)
Proceeds from sales of investment securities	-	1,154
Payments of short-term loans receivable	-	(420)
Other	39	(17)
Net cash used in investing activities	(2,786)	(4,092)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	109	1,271
Proceeds from long-term loans payable	304	-
Repayment of long-term loans payable	(602)	(572)
Cash dividends paid	(823)	(823)
Other	(6)	3
Net cash used in financing activities	(1,018)	(120)
Effect of exchange rate changes on cash and cash equivalents	117	(233)
Increase (decrease) in cash and cash equivalents	961	191
Cash and cash equivalents at the beginning of period	6,051	13,272
Cash and cash equivalents at the end of period	7,012	13,464

(4) Going Concern Assumption

No reportable information.

(5) Segment Information**Operating segment information**

First six months of FY3/10 (Apr. 1, 2009 – Sep. 30, 2009)

(Millions of yen)

	Eye care products	Skincare products	Internal medicines	Others	Total	Elimination or corporate	Consolidated
Net sales							
(1) External sales	12,308	30,275	7,660	2,309	52,554	-	52,554
(2) Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	12,308	30,275	7,660	2,309	52,554	-	52,554
Operating income	3,387	2,858	478	12	6,736	(1,477)	5,259

Notes: 1. Method of segmentation

The operating segment information is presented on the basis of the similarity of its products, in use of products and how they are manufactured.

2. Summary of operating segments

- (1) Eye care products: Eye drops, eyewash preparations, and contact lens products
- (2) Skincare products: Mentholatum, moisturizing antipruritics, lip balm, hand cream, acne treatments, sunscreens, and functional cosmetics
- (3) Internal medicines: Gastrointestinal medicines, liquid gastrointestinal medicines, cold remedies, traditional Chinese herbal medicines, and supplements
- (4) Others: In-vitro test kits, hay fever products, denture cleanser, and sanitary products

Geographical segment information

First six months of FY3/10 (Apr. 1, 2009 – Sep. 30, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Elimination or corporate	Consolidated
Net sales								
(1) External sales	40,155	3,261	2,070	6,499	567	52,554	-	52,554
(2) Inter-segment sales and transfers	369	803	3	1,363	9	2,548	(2,548)	-
Total	40,525	4,064	2,073	7,862	576	55,103	(2,548)	52,554
Operating income (loss)	5,569	(782)	(31)	584	35	5,375	(115)	5,259

Notes: 1. The classification of country or area is based on geographical proximity.

2. Major countries or areas outside Japan included in each segment

- (1) North America: USA, Canada
- (2) Europe: UK
- (3) Asia: China, Taiwan, Vietnam
- (4) Others: Australia

Overseas sales

First six months of FY3/10 (Apr. 1, 2009 – Sep. 30, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I Overseas sales	3,414	2,081	6,789	569	12,854
II Consolidated net sales	-	-	-	-	52,554
III Share of overseas sales among the consolidated net sales (%)	6.5	4.0	12.9	1.1	24.5

Notes: 1. The classification of country or area is based on geographical proximity.

2. Major countries or areas included in each segment

- (1) North America: USA, Canada
- (2) Europe: UK
- (3) Asia: China, Taiwan, Vietnam
- (4) Others: Australia

3. Overseas sales include sales of the Company and its consolidated subsidiary in countries and areas outside Japan.

Segment Information

Supplementary information

Beginning with the first quarter of the current fiscal year, the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied.

1. Overview of reportable segments

Segments used for financial reporting are the Company’s constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company undertakes production and sales activities mainly in the health and beauty care sectors. Within Japan, these operations are mainly handled by the Company. Overseas, operations are mainly handled by The Mentholatum Company, Inc. in North America, The Mentholatum Company Limited. in Europe, and The Mentholatum (Asia Pacific) Ltd. and Mentholatum (China) Pharmaceutical Co., Ltd. in Asia, together with overseas affiliates. These affiliates each operate as autonomous business units, formulating comprehensive strategies in each region and developing business activities for the products and services they undertake.

Accordingly, the Company’s basic production and sales structure comprises the four regional reportable segments of Japan, North America, Europe, and Asia. Each segment produces and sells eye care (including eye drops), skincare (including dermal medicines, lip balm, sunscreens, and functional cosmetics, etc.), internal medicines and food (including gastrointestinal medicines and supplements), and other products and services, such as in-vitro test kits.

2. Information related to net sales and profit or loss for each reportable segment

First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)

(Millions of yen)

	Reportable segment					Others (Note 2)	Total	Adjustment (Note 3)	Amounts shown on quarterly consolidated statements of income (Note 4)
	Japan	North America	Europe	Asia	Sub- total				
Net sales									
(1) External sales	40,163	2,958	2,053	6,761	51,937	594	52,531	-	52,531
(2) Inter-segment sales and transfers	761	274	-	640	1,677	-	1,677	(1,677)	-
Total	40,925	3,232	2,053	7,401	53,614	594	54,208	(1,677)	52,531
Segment profit (loss)	5,008	(259)	183	556	5,488	10	5,499	(148)	5,350

Notes: 1. The "North America" classification includes the business activities of overseas affiliates in the U.S. and Canada; "Europe" those in the U.K. and South Africa; and Asia those in China, Taiwan, and Vietnam.

2. The "Others" classification comprises business segment not included in reportable segments, and includes the business activities of affiliates in Australia.

3. The entire (148) million yen adjustment to segment profit (loss) comprises elimination for intersegment transactions.

4. Segment profit (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

(6) Significant Changes in Shareholders' Equity

No reportable information.

** This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*