

**Financial Results for the Fiscal Year Ended March 31, 2011**
**[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 Annual General Meeting of Shareholders: June 23, 2011  
 Scheduled date of filing of Annual Securities Report: June 24, 2011  
 Scheduled date of dividend payment: June 9, 2011  
 Preparation of supplementary materials for financial results: Yes  
 Holding of 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 – March 31, 2011)**
**(1) Consolidated results of operations**

(Percentages for net sales, operating income, ordinary income and net income 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	%
Fiscal year ended Mar. 31, 2011	115,472	1.8	13,105	4.5	13,293	4.1	7,966	2.5
Fiscal year ended Mar. 31, 2010	113,429	2.5	12,544	7.8	12,770	12.5	7,768	26.5

Note: Comprehensive income (Millions of yen): FY3/11: 5,688 (down 30.9%)      FY3/10: 8,228 (n.a.)

	Net income per share	Diluted net income per share	ROE	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2011	67.75	67.46	10.6	10.8	11.3
Fiscal year ended Mar. 31, 2010	66.06	65.77	11.1	11.0	11.1

Reference: Equity in earnings (losses) of affiliates (Millions of yen): FY3/11: 115      FY3/10: 7

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2011	126,472	77,911	60.9	655.53
As of Mar. 31, 2010	120,770	73,672	60.5	621.03

Reference: Shareholders' equity (Millions of yen): Mar. 31, 2011: 77,076      Mar. 31, 2010: 73,023

**(3) Consolidated cash flow position**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2011	12,924	(8,587)	(3,301)	14,005
Fiscal year ended Mar. 31, 2010	15,094	(5,716)	(1,940)	13,272

**2. Dividends**

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividends on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2010	-	7.00	-	7.00	14.00	1,646	21.2	2.4
Fiscal year ended Mar. 31, 2011	-	7.00	-	8.00	15.00	1,763	22.1	2.4
Fiscal year ending Mar. 31, 2012 (forecast)	-	8.00	-	8.00	16.00		20.1	

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)**

(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
First half	54,500	3.7	5,900	10.3	6,100	9.1	3,700	2.6	31.47
Full year	117,000	1.3	13,300	1.5	13,500	1.6	8,200	2.9	69.74

#### 4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): Yes

Newly added: Tianjin ROHTO Herbal Medicine Co., Ltd.

Excluded: -

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

(3) Number of outstanding shares (common stock shares)

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

Mar. 31, 2011: 117,907,528 shares Mar. 31, 2010: 117,907,528 shares

2) Treasury stock shares at end of period:

Mar. 31, 2011: 329,159 shares Mar. 31, 2010: 321,781 shares

3) Average number of shares outstanding during the period:

Fiscal year ended Mar. 31, 2011: 117,582,238 shares Fiscal year ended Mar. 31, 2010: 117,606,028 shares

#### Reference: Summary of Non-consolidated Financial Results

##### 1. Non-consolidated Financial Results (April 1, 2010 – March 31, 2011)

(1) Non-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	%
Fiscal year ended Mar. 31, 2011	77,215	5.9	10,767	6.3	11,275	7.4	6,865	9.9
Fiscal year ended Mar. 31, 2010	72,921	2.8	10,126	1.2	10,502	1.1	6,247	16.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2011	58.39	58.14
Fiscal year ended Mar. 31, 2010	53.12	52.89

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2011	104,915	76,275	72.1	643.68
As of Mar. 31, 2010	99,786	72,616	72.2	612.51

Reference: Shareholders' equity (Millions of yen): Mar. 31, 2011: 75,682 Mar. 31, 2010: 72,022

##### 2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Percentages represent year-on-year changes)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	37,000	0.9	5,600	2.4	3,500	(5.6)	29.77
Full year	76,000	(1.6)	11,000	(2.4)	6,800	(1.0)	57.83

\* Indication of audit procedure implementation status

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Law. At the time when this report was released, the audit procedures for financial statements have not been completed.

\* Cautionary statement with respect to forward-looking statements and other special items

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 2 of the attachments "Analysis of Results of Operations."

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## 1. Results of Operations

### (1) Analysis of Results of Operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
<b>Fiscal year ended Mar. 31, 2011</b>	115,472	13,105	13,293	7,966
Fiscal year ended Mar. 31, 2010	113,429	12,544	12,770	7,768
YoY change (%)	1.8	4.5	4.1	2.5

In the fiscal year under review, the Japanese economy showed a moderate recovery trend as overseas economies improved and the government policies took effect, but the impact of the strong yen and the persisting harsh employment and income environment prevented a full-scale recovery. Furthermore, the Great East Japan Earthquake that struck Japan on March 11 wrought great damage on the lives of the people and a wide range of industries. In the healthcare industry as elsewhere, the harsh business environment continues as consumer spending turns increasingly conservative.

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 grew steadily, influenced by climatic factors including record-breaking heat in summer, a cold snap in winter, and a raised pollen count in the spring. Moreover, a widening consumer emphasis on cost-effective purchasing led to strong sales of the “*Hada-Labo*” series of skin-care products. Meanwhile, emergency demand for swine flu products the previous year led to a corresponding fall in masks and other 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 struggled in the United States and Europe due to exchange rate movements and other factors, but performed strongly in the Asian markets, led by China.

As a result, net sales achieved an 18th successive period of increase, rising 1.8% year-on-year to 115,472 million yen.

Regarding profits, a reduction in amortization of goodwill allied to strong sales led to record figures as operating income rose 4.5 % year-on-year to 13,105 million yen, ordinary income rose 4.1% to 13,293 million yen, and net income rose 2.5% to 7,966 million yen.

The sales summary by reportable segment is as follows.

(Millions of yen)

		Net sales (External sales)			
		Fiscal year ended Mar. 31, 2010	<b>Fiscal year ended Mar. 31, 2011</b>	YoY change (Amount)	YoY change (%)
Reportable segment	Japan	80,586	83,994	3,408	4.2
	North America	7,816	6,077	(1,738)	(22.2)
	Europe	4,662	4,015	(646)	(13.9)
	Asia	19,078	20,121	1,043	5.5
	Sub-total	112,143	114,209	2,066	1.8
Others		1,285	1,262	(23)	(1.8)
Total		113,429	115,472	2,042	1.8

## Japan

External sales reached 83,994 million yen, a year-on-year rise amounting to 4.2%.

The outlook for Japan's healthcare market remained uncertain due to such factors as intensifying competition with the entry of cross-industry newcomers, ongoing deflation, and the yen's sudden appreciation. Moreover, the major earthquake of March 11 led to fears that the consumer belt-tightening will spread. In this situation, Rohto has undertaken to sell new products in response to changing consumer needs and aggressively strengthen marketing activities.

Regarding eye care products, Rohto's core product line category, the high-value-added "*Kaigan Shinsho*" series of eye drops and eyewash preparations performed well, while sales for hay fever products rose sharply due to an increased pollen count. Contact lens related sales fell due to growing competition and a poor market for hard contact lens care solution.

In the skin care market, the fierce summer heat contributed to sales of sunscreen and other seasonal products, while the cold snap of winter led to strong sales of moisturizing products such as lip balm and hand cream. Sales of beauty related products rose sharply across the board. The "*Hada-Labo*" lineup which launched the "*Hada-Labo es*" series for sensitive skin did well, and the "*Obagi*," "*50-no-Megumi*" and "*OXY*" series sold strongly.

For internal medicines and food, sales of the core "*Rohto Bofu-Tsusho-Sanjo*" and "*Rohto Boi-Ogi-Tojo*" products underperformed due to stronger competition accompanying the maturation of the market for metabolic syndrome products. Sales also fell for the *Wakansen* series, which had come to contribute greatly to the Chinese herbal medicine market.

Segment profits amounted to 10,338 million yen. Sales performed strongly, but advertising and sales promotion expenses rose in the harsh business environment.

## North America

External sales fell 22.2 % year-on-year to 6,077 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 care sector, focused on "*V Cool*" eye drops, performed well. In the core skincare sector the launch of the "*OXY*" acne care brand helped secure a rise in profits, but sales fell for "*Soft Lips*", the leading lip balm product.

Segment profits were held to 39 million yen, despite a reduction in goodwill amortization, due to falling sales and rising promotional costs accompanying new product sales.

## Europe

External sales fell 13.9% year-on-year to 4,015 million yen, due to the impact of the strong yen and other factors.

In the skincare sector, the "*Deep Heat*" antiphlogistic analgetic series performed strongly, but sales of the "*OXY*" series fell in reaction to the previous year's re-launch.

By area, sales performed well in Central Europe, Eastern Europe, and Africa but poorly in the U.K. and the Middle East.

Segment profits amounted to 326 million yen.

## Asia

External sales performed well, especially in China, despite the impact of the strong yen, rising 5.5 % year-on-year to 20,121 million yen.

In the eye care segment, sales rose due to the launch of new products and aggressive marketing activities. In the core skincare products, new products in the “Sunplay” sunscreen and “Hada-Labo” series contributed to the rise in sales. Sales of “Hada-Labo” series 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 2,171 million yen, tempered by a rise in costs accompanying full-scale development of the “episteme” department store brands and aggressive sales promotion.

### Others

In the business segment not included in any reportable segment, sales to external customers reached 1,262 million yen.

Segment profits reached 63 million yen.

Reference: Sales by product and service segment.

Beginning with 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			
	Fiscal year ended Mar. 31, 2010	Fiscal year ended Mar. 31, 2011	YoY change (Amount)	YoY change (%)
Eye care products	25,840	26,404	564	2.2
Skincare products	66,206	68,265	2,058	3.1
Internal medicines	16,106	15,988	(118)	(0.7)
Others	5,276	4,814	(461)	(8.8)
Total	113,429	115,472	2,042	1.8

### Outlook for the fiscal year ending March 31, 2012

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
<b>Fiscal year ending Mar. 31, 2012</b>	117,000	13,300	13,500	8,200
Fiscal year ended Mar. 31, 2011	115,472	13,105	13,293	7,966
YoY change (%)	1.3	1.5	1.6	2.9

The economy began to show signs of a partial recovery, despite the unstable global situation and economic uncertainty engendered by the strong yen. Nevertheless, the full impact on the Japanese economy of the earthquake that struck its north-eastern region cannot be measured. The overall lethargy of Japan’s economy is predicted to weaken consumer confidence and put a brake on consumer spending.

Under such conditions, the Rohto Group will adapt to the changes in the business environment, aiming to expand business further and improve earnings by creating new products and brands that respond appropriately to changing customer needs. At the same time it will rise to the challenge of diverse innovations, including alliances with a wide range of companies.

Within Japan, we anticipate that the operation of the Shizuoka No. 2 Plant of our subsidiary Meguro Kako Inc. will be accompanied by an expansion of sales, but the Group is assuming that total sales will stagnate due to the impact of such factors as growing competition, a cooling consumer mindset, and lower sales of hay fever products. We will focus our energies on beauty products such as the “Hada-Labo” series while undertaking to nurture existing brands. Overseas, we anticipate rising sales in Asia, led by China, and a recovery in the U.S. and European markets.

In the next fiscal year we anticipate that net sales will rise 1.3% year-on-year to 117 billion yen, operating income

1.5% to 13.3 billion yen, ordinary income 1.6% to 13.5 billion yen, and net income 2.9% to 8.2 billion yen. Furthermore, we expect sales to continue rising for the 19th fiscal year in succession, and to set a new profit record.

These forecasts are based on an exchange rate of 82 yen to the US dollar.

## (2) Analysis of Financial Position

### Balance sheet and cash flow position

#### Balance sheet position

Total assets at the end of the current fiscal year rose 5,701 million yen from the end of the previous fiscal year to 126,472 million yen. This was due to such factors as rises of 4,158 million yen in property, plant and equipment, 1,747 million yen in notes and accounts receivable-trade, 758 million yen in merchandise and finished goods and 732 million yen in cash and deposits set against a fall of 3,103 million yen in investment securities.

Total liabilities rose 1,463 million yen from the end of the previous fiscal year to 48,561 million yen. This was due to such factors as rises of 2,314 million yen in accrued expenses, 985 million yen in accrued income taxes, and 649 million yen in reserve for rebates of sales set against falls of 1,905 million yen in long-term loans payable and 992 million yen in deferred tax liabilities under non-current liabilities.

Net assets rose 4,238 million yen from the end of the previous fiscal year to 77,911 million yen, due to such factors as falls of 1,519 million yen in valuation difference on available-for-sale securities and 800 million yen in translation adjustments set against a rise of 6,688 million yen in retained earnings.

#### Cash flow position

(Millions of yen)

Item	Fiscal year ended Mar. 31, 2010	Fiscal year ended Mar. 31, 2011	YoY change (Amount)
Cash and cash equivalents at beginning of year	6,051	13,272	7,221
Cash flows from operating activities	15,094	12,924	(2,169)
Cash flows from investing activities	(5,716)	(8,587)	(2,871)
Cash flows from financing activities	(1,940)	(3,301)	(1,360)
Effect of exchange rate changes on cash and cash equivalents	(216)	(303)	(86)
Increase (decrease) in cash and cash equivalents	7,221	732	(6,488)
Cash and cash equivalents at end of period	13,272	14,005	732

During the fiscal year, there was a net increase of 732 million yen in cash and cash equivalents to 14,005 million yen.

#### Operating activities

Net cash provided by operating activities fell 2,169 million yen year-on-year to 12,924 million yen. This was mainly attributable to income before income taxes and minority interests of 13,430 million yen, up from 12,412 million yen in the previous fiscal year, as well as an increase of 1,854 million yen in notes and accounts receivable-trade, up from 531 million yen and income tax paid of 4,835 million yen, up from 3,367 million yen.

#### Investing activities

Net cash used in investing activities rose 2,871 million yen year-on-year to 8,587 million yen. This was mainly attributable to 8,462 million yen purchases of property, plant and equipment, up from 4,120 million yen in the previous fiscal year, despite 1,204 million yen proceeds from sales of investment securities, compared to nil.

#### Financing activities

Net cash used in financing activities rose 1,360 million yen year-on-year to 3,301 million yen. This was because the repayment of long-term loans payable exceeded proceeds from loans payable by 2,020 million yen, compared to 400 million yen in the previous fiscal year.

**Trends in cash flow indicators**

Item	73rd Term Fiscal year ended Mar. 31, 2009	74th Term Fiscal year ended Mar. 31, 2010	75th Term Fiscal year ended Mar. 31, 2011
Shareholders' equity ratio (%)	59.3	60.5	60.9
Shareholders' equity ratio based on market price (%)	93.6	100.0	82.8
Interest-bearing debt to cash flow ratio	0.9	0.6	0.5
Interest coverage ratio	27.0	51.4	50.0

\* Shareholders' equity ratio = Shareholders' equity / Total assets

Shareholders' equity ratio based on market price = Market capitalization / Total assets

Interest-bearing debt to cash flow ratio = Interest-bearing debt / Operating cash flows (before interests and income taxes paid)

Interest coverage ratio = Operating cash flows (before interests and income taxes paid) / Interest payments

1. All indices are calculated based on consolidated figures.

2. Market capitalization: Closing stock price on the balance sheet date x number of shares outstanding (net of treasury stock shares) on the balance sheet date

3. Operating cash flows (before interests and income taxes paid) are calculated using the figures for cash flows from operating activities (before interests and income taxes paid) in the consolidated statements of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheets that incur interest. Interest payments are calculated using the figures for interest expenses paid in the consolidated statements of cash flows.

**(3) Basic Policy of Profit Distribution and Dividends for the Current and Next Fiscal Years**

Constantly and consistently returning to shareholders the profits earned through business activities is one of our highest priorities. The fundamental policy is to pay a dividend based on operating results. Retained earnings will be used effectively for the development of new products, the investments in manufacturing equipment, and others to respond to changes in the operating environment. We believe that these investments will contribute to future earnings, thereby enabling the Company to pay a large and stable dividend to shareholders.

We plan to distribute a dividend of 8 yen per share for the end of the current fiscal year. Added to the interim dividend of 7 yen per share, which has been already distributed, this will bring the annual dividend to a total of 15 yen per share.

For the next fiscal year, with our gratitude to all the shareholders who support us on a regular basis, we plan to pay 8 yen per share as an interim and year-end dividends to bring the annual total to 16 yen per share.



## 2. Corporate Group

The Rohto Group comprises ROHTO Pharmaceutical Co., Ltd. (“the Company”), 28 subsidiaries and 8 affiliates. These companies are engaged primarily in the manufacture and sale of eye care products (including eye drops and eyewash preparations), skincare products (including dermal medicines, lip balm, sunscreen, and functional cosmetics), internal medicines and food products (including gastrointestinal medicines, traditional Chinese herbal medicines, and supplements), and other products (including in-vitro test kits) in the health and beauty care domains.

The positioning and segmentation of the Rohto Group companies is as follows:

### Japan

Manufactures and sells eye care, skincare, internal, and food products, and other products and services focused on the Company and Medicare Systems Co., Ltd.

Meguro Kako Inc. mainly consigns and sells internal and foodstuff products and services.

### North America

Mainly manufactures and sells skincare products and services focused on The Mentholatum Company Inc.

### Europe

Mainly manufactures and sells skincare products and services focused on The Mentholatum Company Limited.

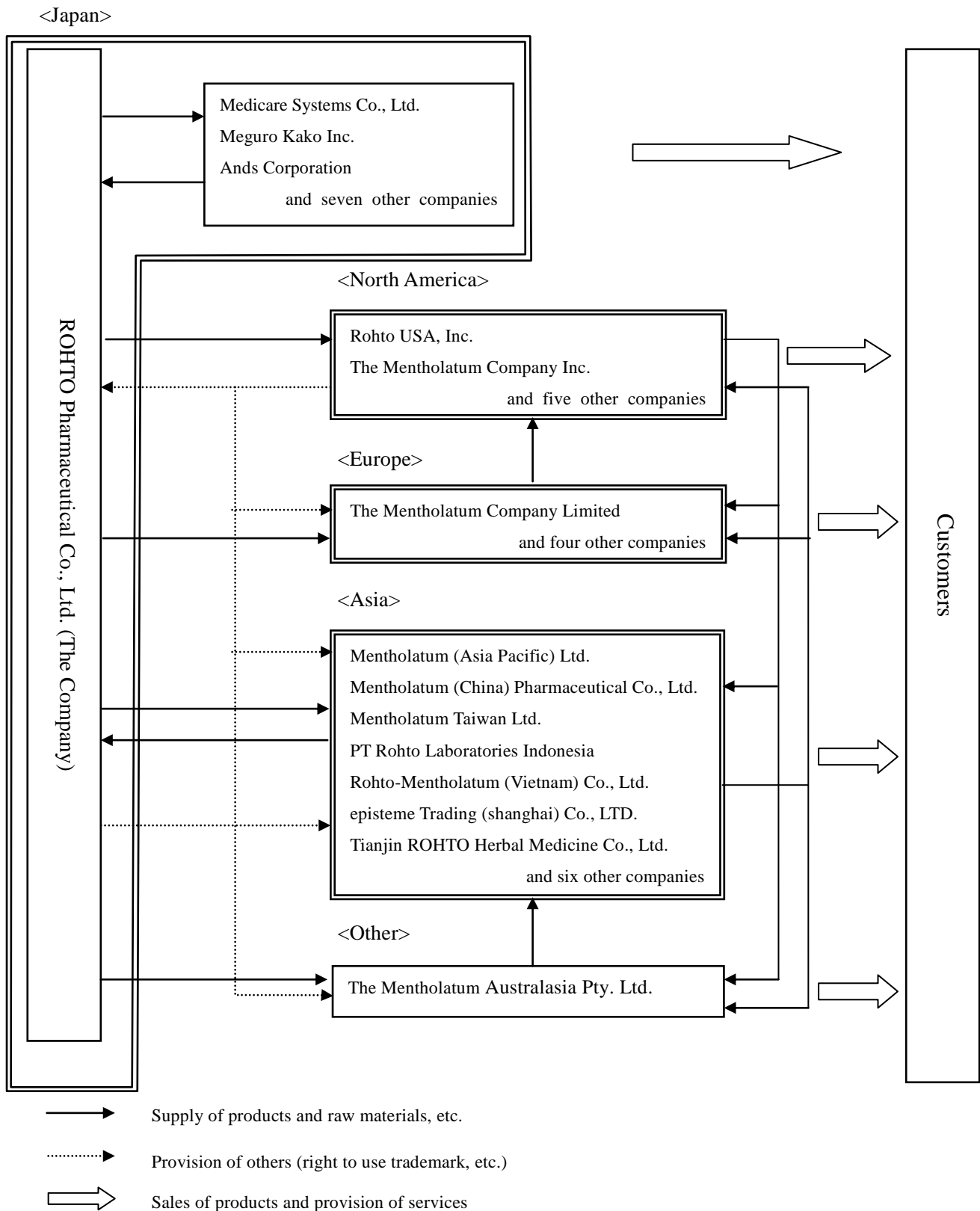
### Asia

The Mentholatum (Asia Pacific) Ltd., Mentholatum (China) Pharmaceutical Co., Ltd., and other local subsidiaries mainly manufacture and sell eye care and skincare products and services.

	Number of subsidiaries and affiliates	Major subsidiaries and affiliates
Japan	The Company Consolidated subsidiaries: 5 Non-consolidated subsidiary not accounted for under the equity method: 1 Equity-method affiliate: 1 Affiliates not accounted for under the equity method: 3	(Manufacture/sale) Meguro Kako Inc. *1 Ands Corporation *2  (Sale) Medicare Systems Co., Ltd. *1
North America	Consolidated subsidiaries: 4 Affiliates not accounted for under the equity method: 3	(Manufacture/sale) The Mentholatum Company Inc. *1  (Investment management) Rohto USA, Inc. *1
Europe	Consolidated subsidiaries: 5	(Manufacture/sale) The Mentholatum Company Limited *1
Asia	Consolidated subsidiaries: 9 Non-consolidated subsidiary accounted for under the equity method: 1 Non-consolidated subsidiaries not accounted for under the equity method: 2 Affiliate not accounted for under the equity method: 1	(Manufacture/sale) Mentholatum (China) Pharmaceutical Co., Ltd *1 Rohto-Mentholatum (Vietnam) Co., Ltd. *1 PT Rohto Laboratories Indonesia *1 Tianjin ROHTO Herbal Medicine Co., Ltd. *1  (Sale) Mentholatum (Asia Pacific) Ltd. *1 Mentholatum Taiwan Ltd. *1 episteme Trading (shanghai) Co., LTD. *1
Other	Consolidated subsidiary: 1	(Manufacture/sale) Mentholatum Australasia Pty. Ltd. *1

\*1 Consolidated subsidiary \*2 Equity-method affiliates

A diagram presenting the Group's operations is shown below.



### **3. Management Policies**

#### **(1) Basic Management Policy**

The Rohto Group aims to help individuals grow old gracefully in accordance with its corporate slogan that pledges to bring “Happy Surprises.” Since Rohto’s inception, we have focused on creating a broad range of healthcare products, including eye drops, gastrointestinal medicine, and dermal medication, and developing new markets with the spirit of persistence and taking on new challenges. Even in times of upheaval we will remain committed to the spirit of this slogan as we aim to become a constant source of surprise and happiness for customers and society at large.

At the same time, the Rohto Group is dedicated to earning the trust and meeting the expectations of shareholders, customers, business partners, employees, society and all other stakeholders while operating in a manner that promotes mutual prosperity with others.

#### **(2) Target Performance Indicators**

The Rohto Group’s primary goals are maximizing shareholder value and enhancing the satisfaction of all stakeholders. In the healthcare market, the objective is to establish brands that are either number one or among the leaders in their respective categories. In addition, management places priority on earnings indicators, particularly the operating margin, return on equity and ordinary income on total assets.

#### **(3) Medium-term Business Strategy and Challenges**

People are growing more health-conscious as the population ages, and are looking beyond the functions of medication to focus on staying youthful and leading long, healthy lives. Accordingly, the healthcare market is growing increasingly important. Meanwhile consumer spending remains sluggish in the harsh economic environment, and consumers are anticipated to tighten their belts in the wake of the earthquake.

In response, we are seeking “new items” that consumers want, whether in the pharmaceuticals category or other product categories. We are targeting the broad “health and beauty” field. By developing value-added products and creating brands that meet new needs, we aim to establish brands that rank either first or among the leaders in their respective markets.

To adapt to the significant changes now taking place in the operating environment, we believe that superiority in product development and technologies is vital in order to earn the trust of customers and become more competitive. Rohto Research Village Kyoto is the R&D base for these activities. The facility strengthens the technological foundation for healthcare operations. This research village is also the center for actions involving antiaging and the disease prevention; collaboration with venture capital-backed companies that have promising technologies; and joint research projects with partners in Japan and overseas. We are determined to rapidly build a broad-based research infrastructure that covers the entire health and beauty domain.

Moreover, Rohto is accelerating global development to deliver its products not just within Japan but to the rest of the world as well. In particular, we will push forward with integrated operations in Asia (including Japan) to accelerate business expansion China, Vietnam, and the rest of the Asian region. We will exploit the advantages developed from an early stage in the Asian region to achieve further growth. We will also develop dynamically to realize Rohto Group synergies in North America and Europe.

We are dynamically committed to looking beyond the development of business activities and fulfilling our responsibilities to the public as a “social institution,” thereby becoming a pillar of next-generation support in accordance with our corporate mission.

Looking ahead, the Rohto Group will retain its commitment as a pharmaceutical manufacturer to supplying products

that are safe and have outstanding quality. At the same time, we will seek to enter new business fields in order to earn the trust of customers and meet a diverse range of needs. All group companies will work relentlessly with the goal of achieving more growth in the scale of operations as well as in sales and earnings.

**(4) Other Important Management Matters**

No reportable information.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Millions of yen)

	FY3/10 (As of Mar. 31, 2010)	FY3/11 (As of Mar. 31, 2011)
Assets		
Current assets		
Cash and deposits	13,373	14,106
Notes and accounts receivable-trade	28,111	29,859
Marketable securities	-	5
Merchandise and finished goods	9,374	10,133
Work in process	936	926
Raw materials and supplies	4,974	5,277
Deferred tax assets	2,913	3,383
Other	921	1,548
Allowance for doubtful accounts	(122)	(137)
Total current assets	60,483	65,102
Fixed assets		
Property, plant and equipment		
Buildings and structures	31,157	32,998
Accumulated depreciation	(14,882)	(15,968)
Buildings and structures, net	16,275	17,029
Machinery, equipment and vehicles	29,779	31,318
Accumulated depreciation	(23,891)	(24,523)
Machinery, equipment and vehicles, net	5,887	6,795
Equipment	8,494	8,730
Accumulated depreciation	(7,101)	(7,360)
Equipment, net	1,393	1,370
Land	9,318	9,770
Construction in progress	2,365	4,406
Other	28	54
Total property, plant and equipment	35,269	39,427
Intangible fixed assets		
Goodwill	1,353	1,150
Other	1,449	1,342
Total intangible fixed assets	2,802	2,492
Investments and other assets		
Investment securities	18,448	15,345
Deferred tax assets	2,373	2,350
Other	1,476	1,826
Allowance for doubtful accounts	(83)	(72)
Total investments and other assets	22,214	19,449
Total fixed assets	60,286	61,370
Total assets	120,770	126,472

(Millions of yen)

	FY3/10 (As of Mar. 31, 2010)	FY3/11 (As of Mar. 31, 2011)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	8,685	9,121
Short-term loans payable	3,527	3,199
Accrued expenses	12,571	14,886
Accrued income taxes	2,601	3,587
Accrued consumption tax	292	322
Reserve for bonuses	1,732	1,885
Reserve for directors' bonuses	30	24
Reserve for returned goods unsold	620	831
Reserve for rebates of sales	1,788	2,437
Other	5,338	5,448
<b>Total current liabilities</b>	<b>37,187</b>	<b>41,743</b>
<b>Non-current liabilities</b>		
Long-term loans payable	4,621	2,716
Deferred tax liabilities	3,309	2,317
Reserve for retirement benefits	1,703	1,411
Reserve for directors' retirement benefits	96	101
Other	179	270
<b>Total non-current liabilities</b>	<b>9,910</b>	<b>6,817</b>
<b>Total liabilities</b>	<b>47,097</b>	<b>48,561</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,398	6,398
Capital surplus	5,517	5,517
Retained earnings	60,822	67,511
Treasury stock	(261)	(268)
<b>Total shareholders' equity</b>	<b>72,478</b>	<b>79,159</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,698	3,179
Translation adjustments	(4,153)	(4,953)
Adjustments to foreign subsidiaries' pension liabilities	-	(309)
<b>Total accumulated other comprehensive income</b>	<b>545</b>	<b>(2,083)</b>
<b>Stock acquisition rights</b>	<b>593</b>	<b>593</b>
<b>Minority interests</b>	<b>55</b>	<b>241</b>
<b>Total net assets</b>	<b>73,672</b>	<b>77,911</b>
<b>Total liabilities and net assets</b>	<b>120,770</b>	<b>126,472</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income**

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Net sales	113,429	115,472
Cost of sales	46,649	47,323
Gross profit	66,779	68,149
Provision of reserve for returned goods unsold	-	210
Reversal of reserve for returned goods unsold	1	-
Gross profit -net	66,781	67,938
Selling, general and administrative expenses		
Promotion expenses	14,878	13,837
Advertising expenses	15,461	17,331
Salaries and bonuses	6,754	6,868
Provision of reserve for bonuses	809	888
Provision of reserve for directors' bonuses	30	24
Retirement benefit expenses	435	482
Provision of reserve for directors' retirement benefits	14	14
Depreciation and amortization	1,016	796
Amortization of goodwill	1,028	204
R&D expenses	3,733	3,697
Other	10,073	10,686
Total selling, general and administrative expenses	54,236	54,832
Operating income	12,544	13,105
Non-operating income		
Interest income	64	61
Dividend income	286	401
Foreign exchange gains	263	-
Equity in earnings of affiliates	7	115
Other	164	143
Total non-operating income	786	721
Non-operating expenses		
Interest expenses	359	353
Loss on retirement of fixed assets	96	-
Other	105	180
Total non-operating expenses	561	534
Ordinary income	12,770	13,293
Extraordinary income		
Gain on sales of investment securities	-	700
Reversal of allowance for doubtful accounts	59	2
Total extraordinary income	59	702

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Extraordinary losses		
Loss on sales of non-current assets	-	129
Loss on sales of investment securities	-	56
Loss on valuation of investment securities	264	337
Loss on valuation of stocks of subsidiaries and affiliates	151	11
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	30
Total extraordinary losses	416	566
Income before income taxes and minority interests	12,412	13,430
Current income taxes	4,738	5,934
Deferred income taxes	(98)	(440)
Total income taxes	4,639	5,493
Income before minority interests	-	7,936
Minority interests in income or loss	4	(29)
Net income	7,768	7,966



**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Income before minority interests	-	7,936
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(1,519)
Translation adjustments	-	(788)
Adjustments to foreign subsidiaries' pension liabilities	-	58
Share of other comprehensive income of associates accounted for using equity method	-	0
Total other comprehensive income	-	(2,248)
Comprehensive income	-	5,688
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	5,705
Comprehensive income attributable to minority interests	-	(17)

**(3) Consolidated Statements of Change in Shareholders' Equity**

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,398	6,398
Balance at the end of current period	6,398	6,398
Capital surplus		
Balance at the end of previous period	5,517	5,517
Changes of items during the period		
Disposal of treasury stock	0	0
Total changes of items during the period	0	0
Balance at the end of current period	5,517	5,517
Retained earnings		
Balance at the end of previous period	54,695	60,822
Transfer to adjustments to foreign subsidiaries' pension liabilities	-	368
Changes of items during the period		
Dividends from surplus	(1,646)	(1,646)
Increase (decrease) in surplus from the adoption of US GAAP by foreign subsidiaries	5	-
Net income	7,768	7,966
Total changes of items during the period	6,127	6,320
Balance at the end of current period	60,822	67,511
Treasury stock		
Balance at the end of previous period	(234)	(261)
Changes of items during the period		
Purchase of treasury stock	(27)	(7)
Disposal of treasury stock	0	0
Total changes of items during the period	(26)	(7)
Balance at the end of current period	(261)	(268)
Total shareholders' equity		
Balance at the end of previous period	66,377	72,478
Transfer to adjustments to foreign subsidiaries' pension liabilities	-	368
Changes of items during the period		
Dividends from surplus	(1,646)	(1,646)
Increase (decrease) in surplus from the adoption of US GAAP by foreign subsidiaries	5	-
Net income	7,768	7,966
Purchase of treasury stock	(27)	(7)
Disposal of treasury stock	1	0
Total changes of items during the period	6,100	6,312
Balance at the end of current period	72,478	79,159

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	3,915	4,698
Changes of items during the period		
Net changes of items other than shareholders' equity	783	(1,519)
Total changes of items during the period	783	(1,519)
Balance at the end of current period	4,698	3,179
Deferred gains or losses on hedges		
Balance at the end of previous period	(12)	-
Changes of items during the period		
Net changes of items other than shareholders' equity	12	-
Total changes of items during the period	12	-
Balance at the end of current period	-	-
Translation adjustments		
Balance at the end of previous period	(3,803)	(4,153)
Changes of items during the period		
Net changes of items other than shareholders' equity	(349)	(800)
Total changes of items during the period	(349)	(800)
Balance at the end of current period	(4,153)	(4,953)
Adjustments to foreign subsidiaries' pension liabilities		
Balance at the end of previous period	-	-
Transfer to adjustments to foreign subsidiaries' pension liabilities	-	(368)
Changes of items during the period		
Net changes of items other than shareholders' equity	-	58
Total changes of items during the period	-	58
Balance at the end of current period	-	(309)
Total accumulated other comprehensive income		
Balance at the end of previous period	99	545
Transfer to adjustments to foreign subsidiaries' pension liabilities	-	(368)
Changes of items during the period		
Net changes of items other than shareholders' equity	446	(2,260)
Total changes of items during the period	446	(2,260)
Balance at the end of current period	545	(2,083)
Stock acquisition rights		
Balance at the end of previous period	593	593
Balance at the end of current period	593	593
Minority interests		
Balance at the end of previous period	46	55
Changes of items during the period		
Net changes of items other than shareholders' equity	8	186
Total changes of items during the period	8	186
Balance at the end of current period	55	241

	(Millions of yen)	
	FY3/10	FY3/11
	(Apr. 1, 2009 – Mar. 31, 2010)	(Apr. 1, 2010 – Mar. 31, 2011)
Total net assets		
Balance at the end of previous period	67,117	73,672
Transfer to adjustments to foreign subsidiaries' pension liabilities	-	-
Changes of items during the period		
Dividends from surplus	(1,646)	(1,646)
Increase (decrease) in surplus from the adoption of US GAAP by foreign subsidiaries	5	-
Net income	7,768	7,966
Purchase of treasury stock	(27)	(7)
Disposal of treasury stock	1	0
Net changes of items other than shareholders' equity	454	(2,074)
Total changes of items during the period	6,555	4,238
Balance at the end of current period	73,672	77,911

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)
Cash flows from operating activities		
Income before income taxes and minority interests	12,412	13,430
Depreciation and amortization	4,542	4,257
Amortization of goodwill	1,028	204
Increase (decrease) in allowance for doubtful accounts	(56)	9
Increase (decrease) in reserve for bonuses	81	155
Increase (decrease) in reserve for directors' bonuses	-	(5)
Increase (decrease) in reserve for retirement benefits	163	(243)
Increase (decrease) in reserve for returned goods unsold	(1)	210
Increase (decrease) in reserve for rebates of sales	(176)	649
Loss (gain) on sales of investment securities	-	(643)
Loss (gain) on valuation of investment securities	264	337
Loss (gain) on sales of property, plant and equipment	-	129
Loss on valuation of stocks of subsidiaries and affiliates	151	11
Interest and dividend income	(350)	(463)
Interest expenses	359	353
Equity in (earnings) losses of affiliates	(7)	(115)
Decrease (increase) in notes and accounts receivable-trade	(531)	(1,854)
Decrease (increase) in inventories	(1,183)	(1,481)
Increase (decrease) in notes and accounts payable-trade	157	442
Other	1,639	2,312
Subtotal	18,494	17,697
Interest and dividends income received	334	424
Interest expenses paid	(366)	(362)
Income tax paid	(3,367)	(4,835)
Net cash provided by operating activities	15,094	12,924
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,120)	(8,462)
Purchase of intangible fixed assets	(695)	(322)
Purchase of investment securities	(866)	(56)
Proceeds from sales of investment securities	0	1,204
Payments of short-term loans receivable	-	(449)
Other	(33)	(500)
Net cash used in investing activities	(5,716)	(8,587)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	144	188
Proceeds from long-term loans payable	1,512	249
Repayment of long-term loans payable	(1,913)	(2,269)
Cash dividends paid	(1,646)	(1,646)
Other	(38)	176
Net cash used in financing activities	(1,940)	(3,301)
Effect of exchange rate changes on cash and cash equivalents	(216)	(303)
Increase (decrease) in cash and cash equivalents	7,221	732
Cash and cash equivalents at the beginning of period	6,051	13,272
Cash and cash equivalents at the end of period	13,272	14,005

**(5) Going Concern Assumption**

No reportable information.

**(6) Significant Accounting Policies in the Preparation of Consolidated Financial Statements**

## 1. Scope of consolidation

Number of consolidated subsidiaries: 24

Name of major consolidated subsidiaries:

Rohto USA, Inc., The Mentholatum Company Inc., The Mentholatum Company Limited, Mentholatum (Asia Pacific) Ltd., Mentholatum (China) Pharmaceutical Co., Ltd, Mentholatum Taiwan Ltd., PT Rohto Laboratories Indonesia, Rohto-Mentholatum (Vietnam) Co., Ltd., Medicare Systems Co., Ltd., Meguro Kako Inc., episteme Trading (shanghai) Co., LTD., Tianjin ROHTO Herbal Medicine Co., Ltd.

In the current fiscal year, Tianjin ROHTO Herbal Medicine Co., Ltd. as its establishment, and other two companies were included in the consolidation.

PT Rohto Farma Indonesia, Rohto Pharma (India) Pvt. Ltd., the Company's subsidiaries, and two other companies are excluded from the consolidation since they have a very minor effect on total assets, net sales, net income/loss and retained earnings, and are relatively insignificant in the context of the consolidated financial statements.

## 2. Application of the equity method

(1) Number of non-consolidated subsidiaries accounted for under the equity method: 1

PT Rohto Farma Indonesia

(2) Number of equity-method affiliates: 1

Ands Corporation

(3) Number of non-consolidated subsidiaries not accounted for under the equity method: 3

Rohto Pharma (India) Pvt. Ltd. and 2 others

(4) Number of affiliates not accounted for under the equity method: 7

Yamato Kaihatsu Kogyo and 6 others

These non-consolidated subsidiaries and affiliates are not accounted for under the equity method since they have a very minor effect on net income/loss and retained earnings, and are relatively insignificant in the context of the consolidated financial statements.

**(7) Change in Significant Accounting Policies in the Preparation of Consolidated Financial Statements****(Change in accounting policy)**

Accounting standard for asset retirement obligations

Beginning with 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 12 million yen each and income before income taxes and minority interests by 43 million yen. The effect of these changes on segment operations is shown in the Segment Information section.

**(Reclassifications)****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 current fiscal year.

“Foreign exchange gains,” presented as a separate line item in the previous fiscal year, is reclassified and included in “Other” under non-operating income because the amount is insignificant. “Foreign exchange gains” in the current fiscal year totaled 51 million yen.

“Loss on retirement of fixed assets,” presented as a separate line item in the previous fiscal year, is reclassified and included in “Other” under non-operating expenses because the amount is insignificant. “Loss on retirement of fixed assets” in the current fiscal year totaled 44 million yen.

**(Supplementary information)**

## Accounting Standard for Presentation of Comprehensive Income

Beginning with the current fiscal year, “Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, June 30, 2010) has been applied. However, the “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” items for the previous fiscal year show the amounts for “Valuation and translation adjustments” and “Total valuation and translation adjustments,” respectively.

Along with these changes, the “unrecognized actuarial differences” relating to retirement benefits for U.S. consolidated subsidiaries, included in “retained earnings” in the previous fiscal year, is reclassified and presented as a separate line item as “Adjustments to foreign subsidiaries’ pension liabilities” under accumulated other comprehensive income in the current fiscal year. Adjustments to foreign subsidiaries’ pension liabilities totaled 368 million yen (debit balance) at the end of the previous fiscal year.

**(8) Notes to Consolidated Financial Statements****Notes to Consolidated Statements of Comprehensive Income**

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

Comprehensive income in the previous fiscal year	(Millions of yen)
Comprehensive income attributable to owners of the parent	8,220
Comprehensive income attributable to minority interests	8
Total	8,228
Other comprehensive income in the previous fiscal year	(Millions of yen)
Valuation difference on available-for-sale securities	777
Deferred gains or losses on hedges	12
Translation adjustments	(345)
Adjustments to foreign subsidiaries’ pension liabilities	5
Share of other comprehensive income of associates accounted for using equity method	5
Total	455

**Segment Information**

## Operating segment information

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)						
	Eye care products	Skincare products	Internal medicines	Others	Total	Elimination or corporate	Consolidated
I Net sales and operating income							
Net sales							
(1) External sales	25,840	66,206	16,106	5,276	113,429	-	113,429
(2) Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	25,840	66,206	16,106	5,276	113,429	-	113,429
Operating expenses	18,578	59,558	14,957	4,889	97,982	2,901	100,884
Operating income	7,261	6,648	1,149	386	15,446	( 2,901)	12,544
II Assets, depreciation, capital expenditures							
Assets	19,559	48,567	15,031	8,790	91,948	28,821	120,770
Depreciation	1,324	2,141	574	341	4,382	159	4,542
Capital expenditures	846	2,514	717	484	4,562	126	4,688

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

3. Unallocated operating expenses (2,901 million yen) included in “Elimination or corporate” consist primarily of expenses related to the general affairs and other administration divisions of the Company.

4. Corporate assets (28,821 million yen) included in “Elimination or corporate” consist primarily of the Company’s surplus funds (cash and deposits and marketable securities), long-term investment funds (investment securities) and assets related to the administrative division.

5. “Depreciation” and “Capital expenditures” include long-term prepaid expenses and related depreciation.



## Geographical segment information

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)							
	Japan	North America	Europe	Asia	Others	Total	Elimination or corporate	Consolidated
I Net sales and operating income								
Net sales								
(1) External sales	80,586	7,816	4,662	19,078	1,285	113,429	-	113,429
(2) Inter-segment sales and transfers	1,019	1,610	16	2,369	13	5,027	( 5,027)	-
Total	81,605	9,426	4,679	21,447	1,299	118,457	( 5,027)	113,429
Operating expenses	71,210	9,826	4,295	19,257	1,239	105,829	( 4,945)	100,884
Operating income (loss)	10,394	(399)	383	2,189	59	12,627	( 82)	12,544
II Assets	105,823	12,921	3,035	18,481	772	141,034	( 20,264)	120,770

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

(Millions of yen)

	FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)				
	North America	Europe	Asia	Others	Total
I Overseas sales	7,083	4,297	17,635	1,166	30,182
II Consolidated net sales					113,429
III Share of overseas sales among the consolidated net sales (%)	6.2	3.9	15.5	1.0	26.6

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

## 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 and eyewash preparations), skincare (including dermal medicines, lip balm, sunscreens, and functional cosmetics, etc.), internal medicines and food (including gastrointestinal medicines, traditional Chinese herbal medicines and supplements), and other products and services, such as in-vitro test kits.

## 2. Calculation methods for net sales, profits/losses, assets, liabilities, and other items for each reportable segment

The accounting treatment methods for reportable segments are generally the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally operating income figures. Inter-segment sales and transfers are determined based on market prices.

## 3. Information related to net sales, profit/losses, assets, liabilities and other items for each reportable segment

FY3/10 (Apr. 1, 2009 – Mar. 31, 2010)

(Millions of yen)

	Reportable segment					Others (Note 2)	Total	Adjustment (Note 3)	Amounts shown on consolidated financial statements (Note 4)
	Japan	North America	Europe	Asia	Sub- total				
Net sales									
(1) External sales	80,586	7,816	4,662	19,078	112,143	1,285	113,429	-	113,429
(2) Inter-segment sales and transfers	1,019	1,610	16	2,369	5,014	13	5,027	(5,027)	-
Total	81,605	9,426	4,679	21,447	117,158	1,299	118,457	(5,027)	113,429
Segment profit (loss)	10,394	(399)	383	2,189	12,568	59	12,627	(82)	12,544
Segment assets	105,823	12,921	3,035	18,481	140,262	772	141,034	(20,264)	120,770
Segment liabilities	32,197	7,246	1,343	7,347	48,134	190	48,325	(1,227)	47,097
Other items									
Depreciation	3,610	455	43	285	4,395	16	4,412	-	4,412
Amortization of goodwill	191	837	-	-	1,028	-	1,028	-	1,028
Increase in property, plant and equipment and intangible fixed assets	3,156	398	225	733	4,514	12	4,526	-	4,526

Notes: 1. The "North America" classification includes the business activities of overseas subsidiaries and 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 any reportable segment, and includes the business activities of a subsidiary in Australia.

3. (1) The entire (-82 million yen) adjustment to segment profit (loss) comprises elimination for intersegment transactions.

(2) The entire adjusted balance of segment assets (-20,264 million yen) and liabilities (-1,227 million yen) comprises elimination for intersegment transactions.

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

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

(Millions of yen)

	Reportable segment					Others (Note 2)	Total	Adjustment (Note 3)	Amounts shown on consolidated financial statements (Note 4)
	Japan	North America	Europe	Asia	Sub- total				
Net sales									
(1) External sales	83,994	6,077	4,015	20,121	114,209	1,262	115,472	-	115,472
(2) Inter-segment sales and transfers	1,352	477	-	1,072	2,902	-	2,902	(2,902)	-
Total	85,347	6,554	4,015	21,194	117,112	1,262	118,375	(2,902)	115,472
Segment profit	10,338	39	326	2,171	12,875	63	12,939	166	13,105
Segment assets	111,092	9,138	3,213	21,222	144,667	887	145,555	(19,082)	126,472
Segment liabilities	34,879	4,172	1,387	8,696	49,135	264	49,400	(839)	48,561
Other items									
Depreciation	3,464	206	81	348	4,100	17	4,117	-	4,117
Amortization of goodwill	191	12	-	-	204	-	204	-	204
Increase in property, plant and equipment and intangible fixed assets	6,973	86	57	1,545	8,663	8	8,671	-	8,671

Notes: 1. The “North America” classification includes the business activities of overseas subsidiaries and 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 a subsidiary in Australia.

3. (1) The entire 166 million yen adjustment to segment profit (loss) comprises elimination for intersegment transactions.

(2) The entire adjusted balance of segment assets (-19,082 million yen) and liabilities (-839 million yen) comprises elimination for segment transactions.

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

5. As described in “Change in accounting policy,” the Company has applied, “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) effective from the current fiscal year. Given this change, segment profit of “Japan” has decreased by 12 million yen, and segment assets have decreased by 43 million yen.

#### Supplementary information

Beginning with 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.

## Related information

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

## 1. Information by product or service (Millions of yen)

	Eye care products	Skincare products	Internal medicines and food	Other	Total
External sales	26,404	68,265	15,988	4,814	115,472

## 2. Information by region

## (1) Net sales (Millions of yen)

Japan	China	Other	Total
83,854	11,945	19,672	115,472

Notes: Classification of net sales by regions is based on the location of the client and categorized by country or region.

## (2) Property, plant and equipment (Millions of yen)

Japan	Other	Total
32,700	6,727	39,427

## 3. Information by major client (Millions of yen)

Name	Net sales	Segment
OHKI Co., Ltd.	27,401	Japan
Paltac Corporation	15,643	Japan

## Information related to impairment losses on fixed assets for each reportable segment

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

No reportable information.

## Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011) (Millions of yen)

	Reportable segment					Other	Elimination or corporate	Total
	Japan	North America	Europe	Asia	Total			
Amortized for the period	191	12	-	-	204	-	-	204
Balance at end of period	1,150	-	-	-	1,150	-	-	1,150

## Information related to negative goodwill profits for each reportable segment

FY3/11 (Apr. 1, 2010 – Mar. 31, 2011)

No reportable information.

**Per Share Information**

(Yen)

Item	FY03/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY03/11 (Apr. 1, 2010 – Mar. 31, 2011)
Net assets per share	621.03	655.53
Net income per share	66.06	67.75
Diluted net income per share	65.77	67.46

Notes: Basis for calculation

## 1. Net assets per share

(Millions of yen)

Item	FY3/10 (As of Mar. 31, 2010)	FY3/11 (As of Mar. 31, 2011)
Total net assets on the balance sheets	73,672	77,911
Net assets available to common stock	73,023	77,076
Breakdown of differences		
Stock acquisition rights	593	593
Minority interests	55	241
Number of common stock shares outstanding (thousand shares)	117,907	117,907
Number of shares of treasury common stock (thousand shares)	321	329
Number of common stock shares used in calculation of net assets per share (thousand shares)	117,585	117,578

## 2. Net income per share and diluted net income per share

(Millions of yen)

Item	FY03/10 (Apr. 1, 2009 – Mar. 31, 2010)	FY03/11 (Apr. 1, 2010 – Mar. 31, 2011)
Net income per share		
Net income	7,768	7,966
Amount not available to common stock shareholders	-	-
Net income applicable to common stock	7,768	7,966
Average number of common stock shares outstanding during the period (thousand shares)	117,606	117,582
Diluted net income per share		
Adjusted to net income	-	-
Increase in the number of common stock shares (thousand shares)	511	511
[of which stock acquisition rights (thousand shares)]	[ 511]	[ 511]
Summary of potential shares not included in the calculation of “diluted net income per share” since there was no dilutive effect.	_____	_____

**Material Subsequent Events**

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.