

AFRICA

ROHTO's New Challenge

よろこびビックリ誓約会社
Happy Surprise!

Global Business Development, Corporate Planning Department
+81 6 6758 1273, 1-8-1 Tatsumi-nishi, Ikuno-ku Osaka 544-8666
Japan

12th June 2014

	ロート製薬株式会社
Company Name:	Rohto Pharmaceutical Co., Ltd.
Headquarters:	Osaka, Japan
Founded:	February 22, 1899 (明治32年)
Consolidated Sales:	US\$1,575million (as of March 2013) Japan:70%, Asia:22% Skin care 62%, Eye care 21%, Internal use 12.6%, Others 3%
Position:	No.2 Consumer Health Care Company in Japan Listed on Tokyo Stock Exchange 1st Section
No. of Employees:	1,485 <Japan Only> 5,518 <Worldwide> (as of March 2013)
Core Business:	Manufacturer and Marketer of Pharmaceuticals, Cosmetics, and Other Healthcare Products * as of March 2013
Brands:	ROHTO, Mentholatum, OXY, Hada-Labo, Liplice, Sunplay, Acnes, SkinAqua, WellPatch, DeepHeat, Deep Relief

KENYA

- Local subsidiary in Nairobi
- Base for East African Market development
- Deep Heat - No. 1 topical analgesics
- Localisation of products
- New Challenge - JICA project





**Preparatory Survey on BOP business
on High-Value Added Skin Care Product Business
by Using Surplus Agricultural Crops
to Benefit Small Scale Farmers and Women**

ROHTO Pharmaceutical Co., Ltd.

×

Alliance Forum Foundation



PROJECT

■ Research

Feasibility Study to manufacture ingredients of skincare product from Kenyan agricultural products

■ PERIOD

from 31th March 2014 through 30th October 2015

■ Partner

Alliance Forum Foundation

■ Background

- 80% of population are farmers: Agriculture supports Kenya
- 70% of Agri-products from small farmers (<>BOP)
- Insufficient Logistics
 - => Short life of agri-products, wasted, price dump

=> **Agriculture in Kenya x Rohto Skincare Technology & Know-how**



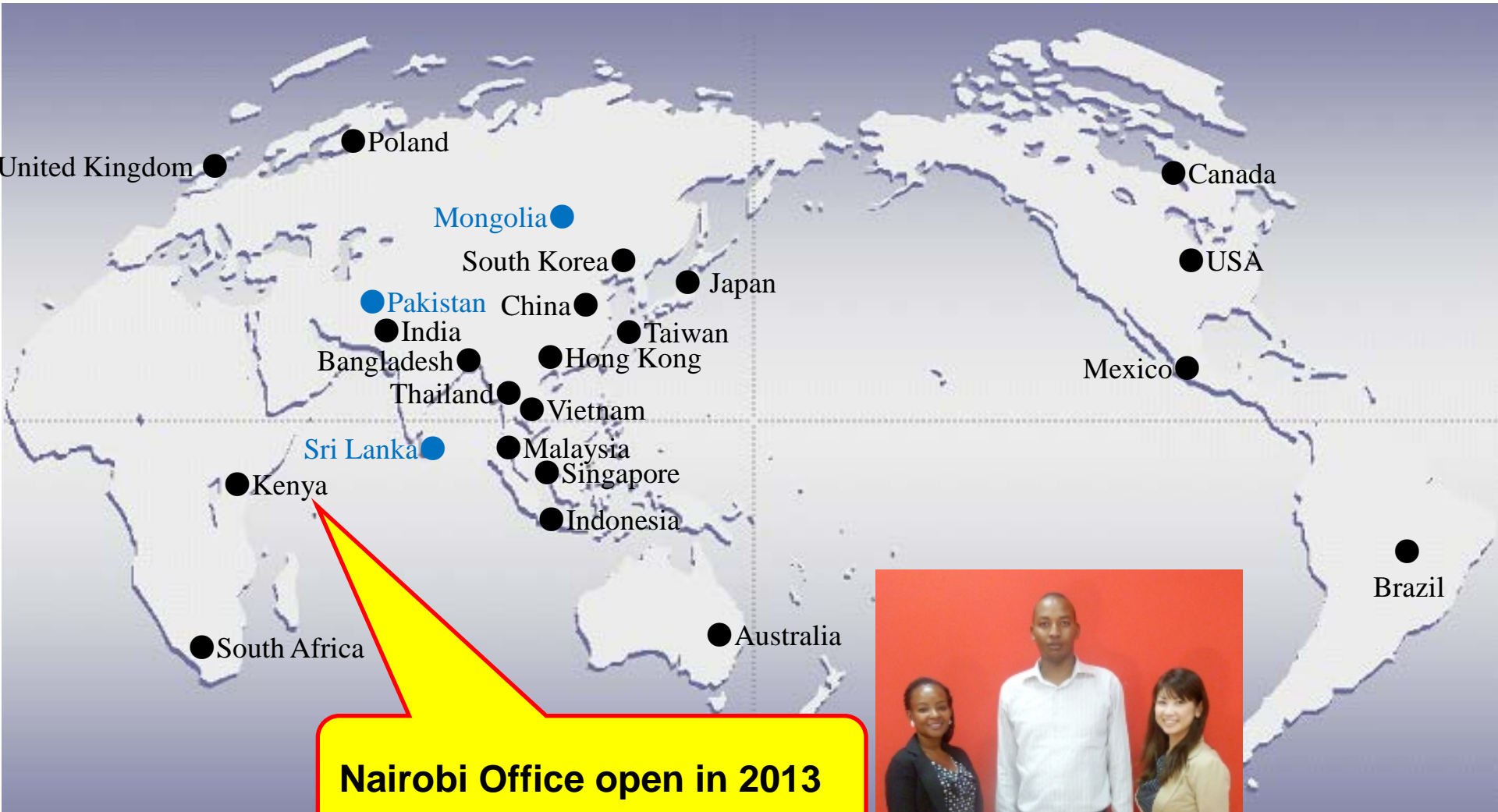
ROHTO Project Member

Business Model - Plan

■ Inclusive and Sustainable Business

- Fair Price Purchasing of Agricultural Products
- Provide work place of manufacturing for woman in farming area
- Develop localised skincare products with Rohto's technology and know-how

Why Kenya?



Why Kenya?

■ Purchasing Power

* Household Spending/Month

Kenya \$140 in 2008, Uganda \$90 in 2009, Tanzania \$12 in 2007



Shopping mall in Nairobi



Coffee shop for the riches



Woman at Hair Salon

■ Market for Skin care, Hair care

> Young population

43% of citizens under 15

> Beauty consience

> Trend Oriented

eg. Organic boom from Europe



Beauty care products at Supermarket

Research Mission No.1

■ Period

from 3rd thru 18th of May 2014



Voices of Participants

- They say "No Beauty without Pain!" We would like to identify what becomes "happy Surprise!" to African ladies.
- There are lots of opportunities to explore with Japanese Technologies in Kenya.
- These kinds of activities are good for Japan as well - more Japanese should come to Africa to understand the reality.

Research Mission No.1

■ Period

from 3rd thru 18th of May 2014



Voices of Participants

- > I was thinking that developing country is a different world. I now feel more associated with it than before. Now I can think of local people as business partners.
- > Africa; its society, culture, people give me power to challenge many things.
- > I am excited to solve local social issue with our business model.

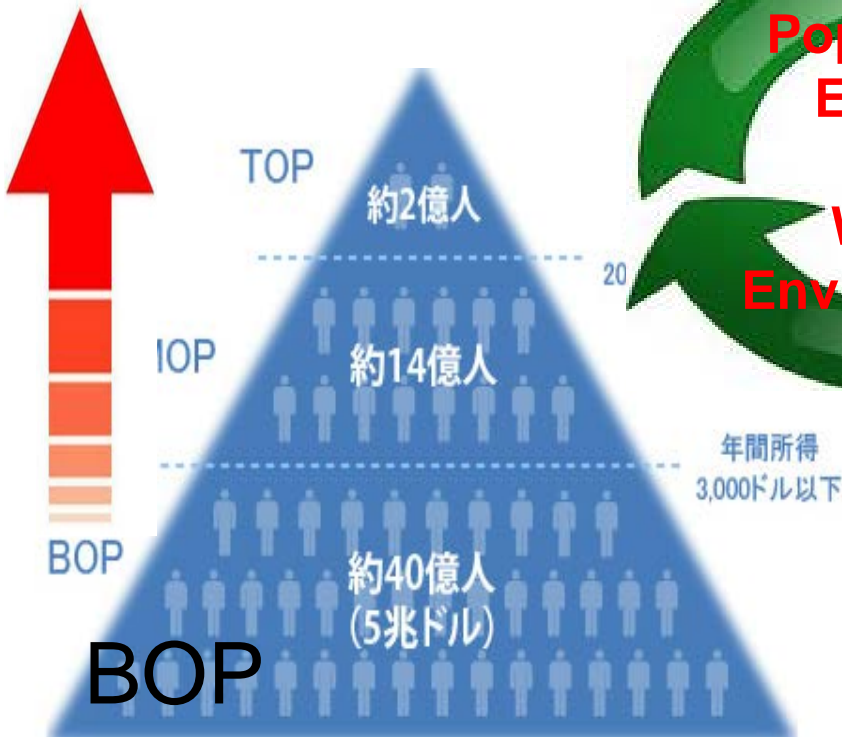
Why Challenging in Africa?

- Importance of Risk Taking
-
- Rohto's management welcomes all sorts of hardship and troubles to come
- Findings out of difficulties and failures will tell us the true wisdoms for life and business

Developed Countries



Large Middle Class
Well-provided Infrastructure



Aging, Depopulation

