

Press Release

Notice Regarding Sale of Shares in Taiko Pharmaceutical Co., Ltd. and  
Continuation of Business Alliance Agreement

July 8, 2022

Listed exchanges : Prime Market  
Listed company name : Earth Corporation  
Code : 4985  
URL : <https://corp.earth.jp/en/index.html>  
Representative Director : Katsunori Kawabata, President & Representative Director  
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Earth Corporation (the “Company”) hereby announces that its Board of Directors has resolved at a meeting held on July.7, 2022, resolved to sell its shares in Taiko Pharmaceutical Co., Ltd. (the “Taiko”). The business alliance agreement with Taiko will continue.

1. Reason for sale of shares

The Company is continuously reviewing its policy shareholdings as required by the revised Corporate Governance Code Based on this review, the Company has decided that the sale of the shares of Taiko held by the Company will contribute to the improvement of corporate value.

The business alliance agreement between Taiko and the Company will continue regardless of the sale of shares, and the two companies will promote the joint development of products using chlorine dioxide. In addition, the two companies will work together to promote the use of MA-T (Matching Transformation System®), an innovative oxidation control technology, for a wide range of applications including infectious disease control, energy, life science, and materials development.

2. Details of the sale of shares, etc.

The Company is currently considering the method and timeframe for the sale of the 2,398,800 shares (5.50% stake) of Taiko.

## 3. Overview of Taiko Pharmaceutical Co., Ltd.

1. Name	Taiko Pharmaceutical Co., Ltd.	
2. Location	3-34-14, Uchihommachi Suita City, Osaka, Japan	
3. Job title and name of representative	Takashi Shibata, President and CEO	
4. Description of business	Pharmaceuticals Business, Infection Control Business	
5. Share capital	1,201 million yen (As of December 31, 2021)	
6. Date of establishment	November 18, 1946	
7. Number of issued shares	44,136,900 shares (As of December 31, 2021)	
8. Major shareholders and ownership ratios (As of December 31, 2021) <small>* Shareholding ratios are calculated excluding treasury stock.</small>	Takashi Shibata 7.43%	
	Hitoshi Shibata 7.40%	
	ROYAL BANK OF CANADA SINGAPORE BRANCHI-CLIENT'S A/C 6.00%	
	The Master Trust Bank of Japan, Ltd. (Trust Account) 5.85%	
	UBS AG HONG KONG 5.65%	
	Earth Corporation 5.50%	
	Akihiro Shibata 4.35%	
	Kowa Company, Ltd. 2.87%	
	Wataru Shibata 2.78%	
	Tetsu Shibata 2.74%	
9. Relationship between Earth Corporation and Taiko Pharmaceutical Co., Ltd.	Capital relationship	The Company holds 2,398,800 shares (5.50%) in Taiko but there will be no capital relationship after the completion of this share sale.
	Personnel relationship	There are no personal relationships which should be noted between the parties. In addition, significant personal relationship exists between persons or affiliated companies associated with the company and persons or affiliated companies associated with the company in question.
	Business relationship	There are transactions between the Company and Taiko based on a business alliance agreement.

10. Operating results and financial positions for the last three years			
Accounting Year	Year ending March 31, 2020	Year ending December 31, 2020	Year ending December 31, 2021
Consolidated net assets	19,373	22,781	12,807
Consolidated total assets	25,473	31,757	22,535
Consolidated net assets per share (Yen)	450.94	525.83	293.88
Consolidated net sales	14,966	17,582	11,299
Consolidated operating profit	3,824	5,650	△4,947
Consolidated ordinary profit	3,633	5,454	△6,131
Profit attributable to owners of parent	2,453	3,851	△9,594
Consolidated earnings per share (Yen)	57.57	89.18	△220.52
Dividend per share (Yen)	50.00	25.00	—

(Unit; Millions of yen)

4. Schedule

1. Date of resolution by the Board of Directors	July 7, 2022
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5. Future outlook

This matter will have negligible impact on the consolidated financial results of the Earth Corporation group in the fiscal year ending December 2022.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.