



Earnings Briefing Materials for the Fiscal Year Ended December 2023 and the New Mid-term Business Plan

Earth Corporation



Earth Corporation

Financial Result Highlights of FY 12/2023

Financial Result Highlights



(Unit: 0.1 billion JPY)

- A higher-than-expected increase in raw material prices and lower GPM from our model mix negatively impacted results, which ultimately fell short of the plan.
- Insecticides & Repellents overperformed vs. the revised forecast (Nov.), with success in controlling sales promotion & other expenses also contributing to an operating income overperformance of 1.37 B yen (5.0 B yen → 6.37 B yen)

| | Realized | Vs. Forecast | YoY | Main Factors vs. Forecast |
|--|--------------|--------------|--------|--|
| Sales | 1,583 | 99.0% | 103.9% | <ul style="list-style-type: none"> • Impact of underperformance from Household products, especially Bath salts. • Insecticides & Repellents/Total Health Care System met the forecast targets. |
| Gross Profit | 636.2 | 95.7% | 101.9% | <ul style="list-style-type: none"> • Impact from higher-than-expected increase in raw material prices. • Lower GPM from our model mix. |
| SG&A Expenses | 572.5 | 97.9% | 104.0% | <ul style="list-style-type: none"> • Controlled costs, bringing down SG&A by 1.24 B yen vs. the forecast. |
| Operating Income | 63.7 | 79.6% | 85.7% | <ul style="list-style-type: none"> • Vs. the forecast : -1.63 B yen. |
| Net Income attributable to owners of parent | 41.0 | 76.0% | 77.4% | <ul style="list-style-type: none"> • No factors had a significant impact on consolidated results. |

Main Factors Vs. Revised Forecast (Nov.)



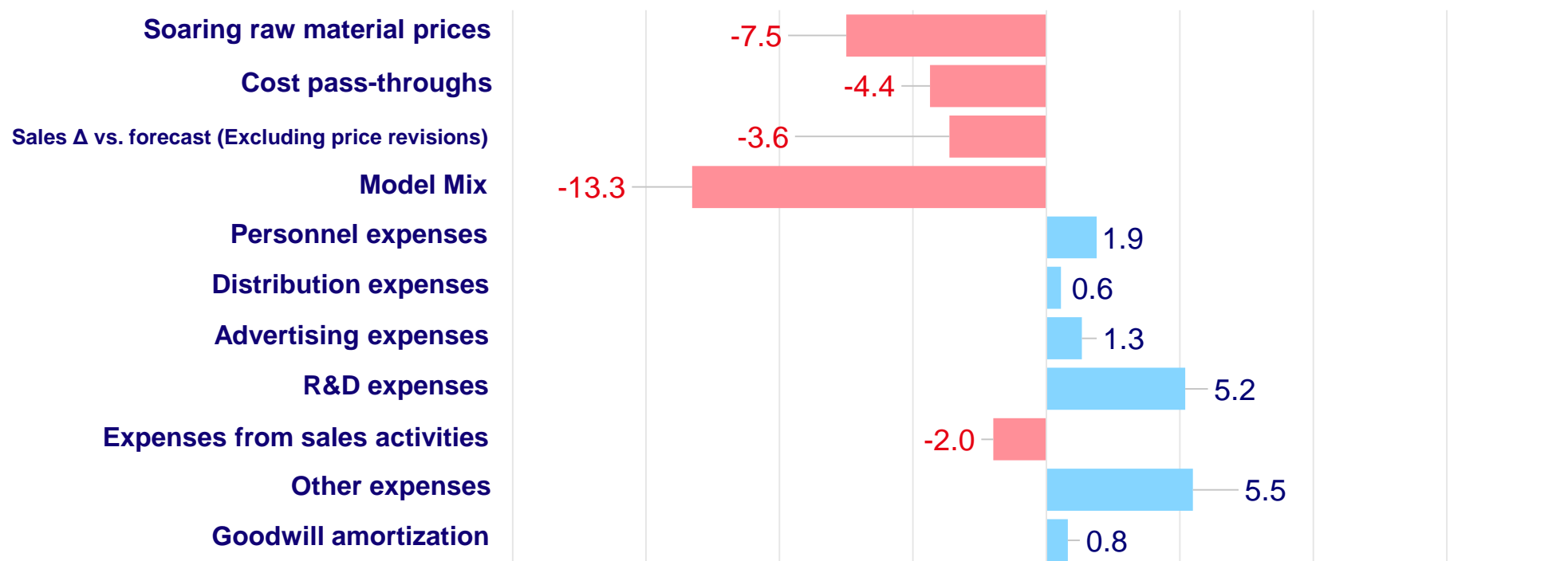
(Unit: 0.1 billion JPY)

| Item | As of Nov. revision | Realized | Main Factors |
|--|---------------------|--------------|--|
| <ul style="list-style-type: none"> Domestic: Sales / GP overperformance vs. target in Insecticides & Repellents | — | +0.7 | <ul style="list-style-type: none"> Fewer product returns than expected contributed to profits. |
| <ul style="list-style-type: none"> Domestic: Sales / GP underperformance vs. target in Household products | -37 | -25.8 | <ul style="list-style-type: none"> Bath salts: -17.4. Stay-at-home demand no longer at play. Market size: 96% YoY; Share: -0.9pt YoY. Fell short of the plan targets; higher-than-expected impact from raw materials. Oral hygiene products: -5.3. Market size: 96% YoY; Share: -0.5pt YoY. Impact of soaring raw material prices and a worsening in profitability due to the model mix. Other household products (household detergents, masks, etc.): -3.3. Fell short of the sales target, impacted by a higher COGS ratio. Expenses related to reduction in excess inventories included in each category. |
| <ul style="list-style-type: none"> China: Gross Profit underperformance vs. target | -3 | -3.6 | <ul style="list-style-type: none"> Sales through the e-commerce channel at our Chinese subsidiary struggled; increase in slow-moving inventories. |
| <ul style="list-style-type: none"> GP underperformance | -40 | -28.7 | |
| <ul style="list-style-type: none"> Control expenses | +10 | +12.4 | <ul style="list-style-type: none"> Personnel expenses: +1.8; Distribution expenses: +0.5; Advertising expenses: +1.3; R&D expenses: +5.2; Maintenance: +1.0; Misc. & other expenses: +3.6 |
| <ul style="list-style-type: none"> Total | -30 | -16.3 | |

Operating Income Change Factors (Vs. Forecast)

- Greater than expected impact of rising costs, e.g., raw materials.
- The effect of price revisions fell short of expectations, and GPM worsened due to a sales underperformance vs. the forecast and the model mix.
- While cost controls allowed us to limit expenses by 1.24 B yen, operating income nevertheless fell short of the forecast target.

(Unit: 0.1 billion JPY)



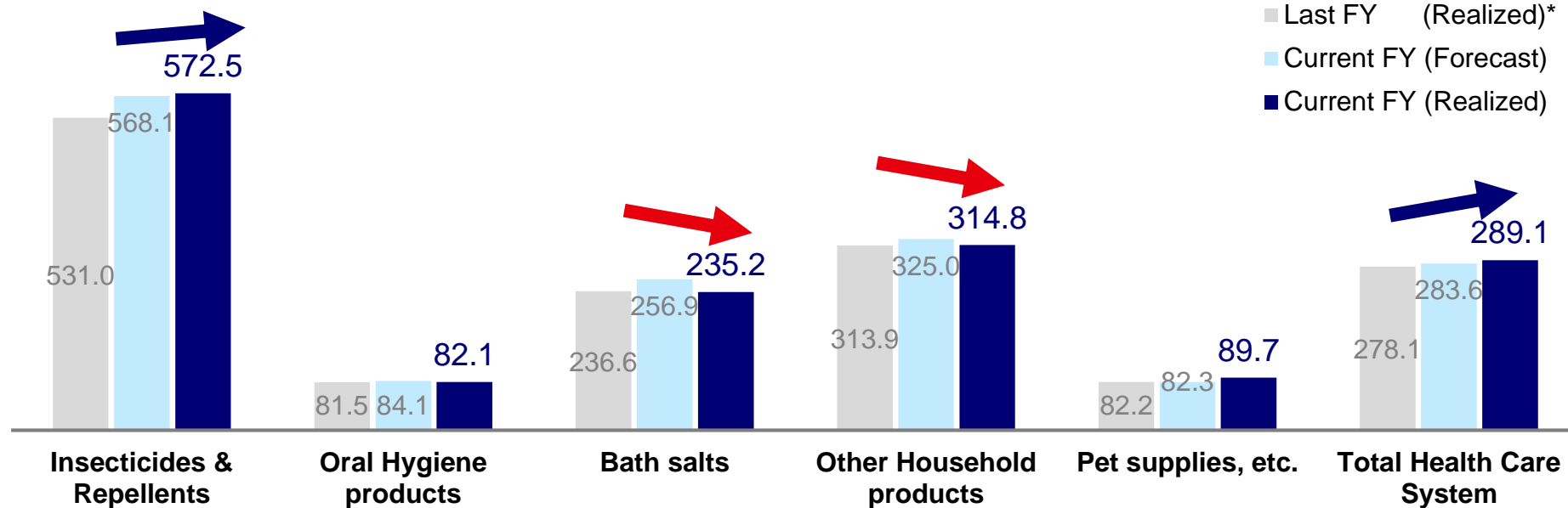
Sales By Segment

*To outside customers (excludes internal eliminations)

(Unit: 0.1 billion JPY)

- Insecticides & Repellents : Plan achieved due to higher than planned Q4.
- Household products : Oral hygiene products, bath salts, and other household goods all fell short of projections.
- General Environment : Strong performance from the beginning of the year and steady achievement of the plan.

■ Last FY (Realized)*
 ■ Current FY (Forecast)
 ■ Current FY (Realized)



| | | | | | | |
|--------------------|-------|------|-------|-------|------|-------|
| YoY diff. | +41.4 | +0.6 | ▲1.4 | +0.8 | +7.4 | +11.0 |
| Diff. vs. forecast | +4.3 | -1.9 | -21.7 | -10.1 | +7.4 | +5.5 |

Regarding Losses on Valuation of Shares in BATHCLIN Corporation Inc.



- **As announced on January 29, 2024, the Earth Corporation recorded a loss in the valuation of shares in BATHCLIN Corporation Inc.**
 - ▶ The business environment has changed significantly from the assumptions made when we acquired shares in the company in 2012.
 - ▶ Recorded a loss on valuation of shares in subsidiaries and affiliates in accordance with the Accounting Standard for Financial Instruments.
 - ▶ Impact on non-consolidated results: Extraordinary losses: 10.96 B yen.
- **No impact on consolidated results and current Cash levels.**



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Review of Previous Mid-term Business Plans

Act For SMILE - COMPASS 2023 - Outline



- The basic strategy for the MTBP was reforming the corporate compass & infrastructure and improving earnings by expanding the profit foundation in Asia, ESG/Open Innovation, and generating cost synergies.

Main Drivers of the Medium-term Business Plan (2021 - 2023)



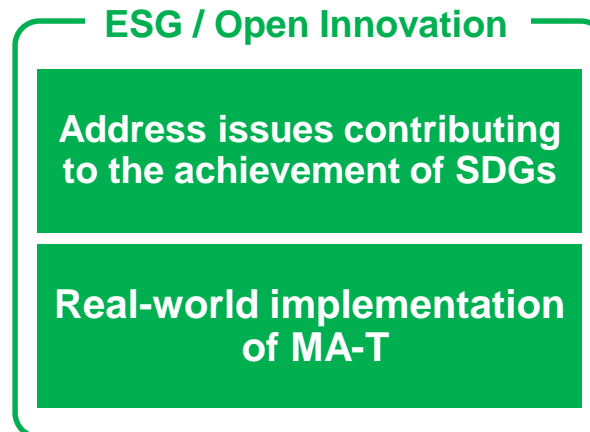
Review of the Main Drivers

- Updated management accounting and revamped our core system as planned. We now intend to deliver benefits from the use of these new systems.
- While we continue making efforts to reduce product disposals/returns and generate synergies, we haven't been able to solve the issue completely. We will be carrying out a bold review of drivers and enact drastic changes to execution structures.

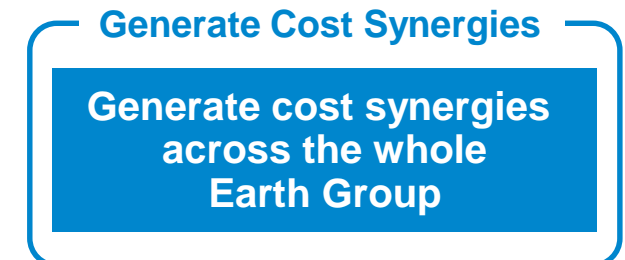
○ • Initiatives with results



△ • Initiatives in progress



× • Initiatives not fully executed



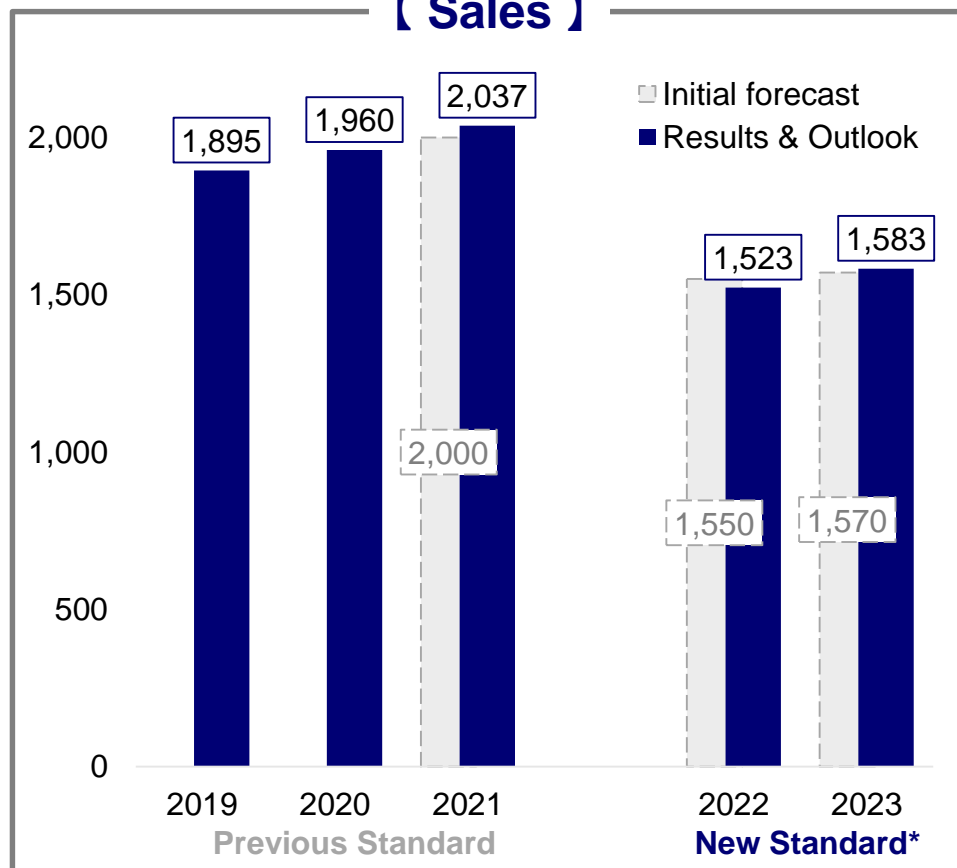
Act For SMILE - COMPASS 2023 - Review



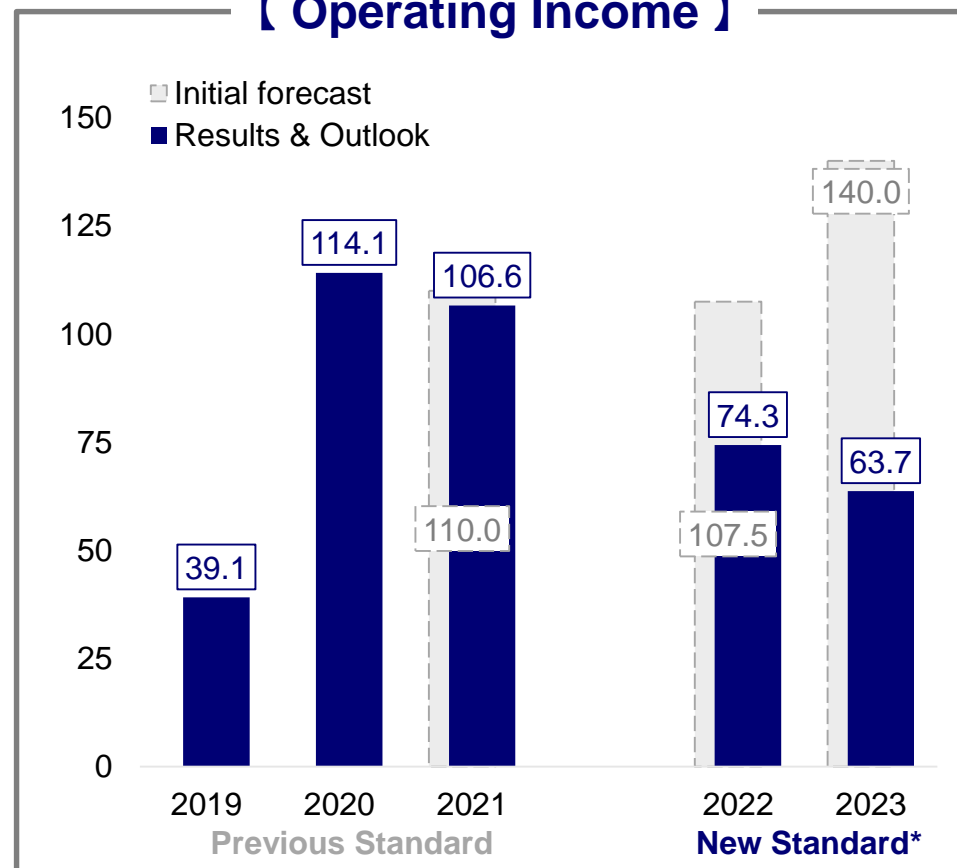
- Sales were achieved against the original plan, but operating profit fell short of the plan.
 - Sales were 158.3 B yen against an initial plan of 157 B yen. (Achievement 100.8%)
 - Operating income was 6.37 B yen, compared to an initial plan of 14 B yen. (Achievement 45.5%)

(Unit: 0.1 billion JPY)

【 Sales 】



【 Operating Income 】



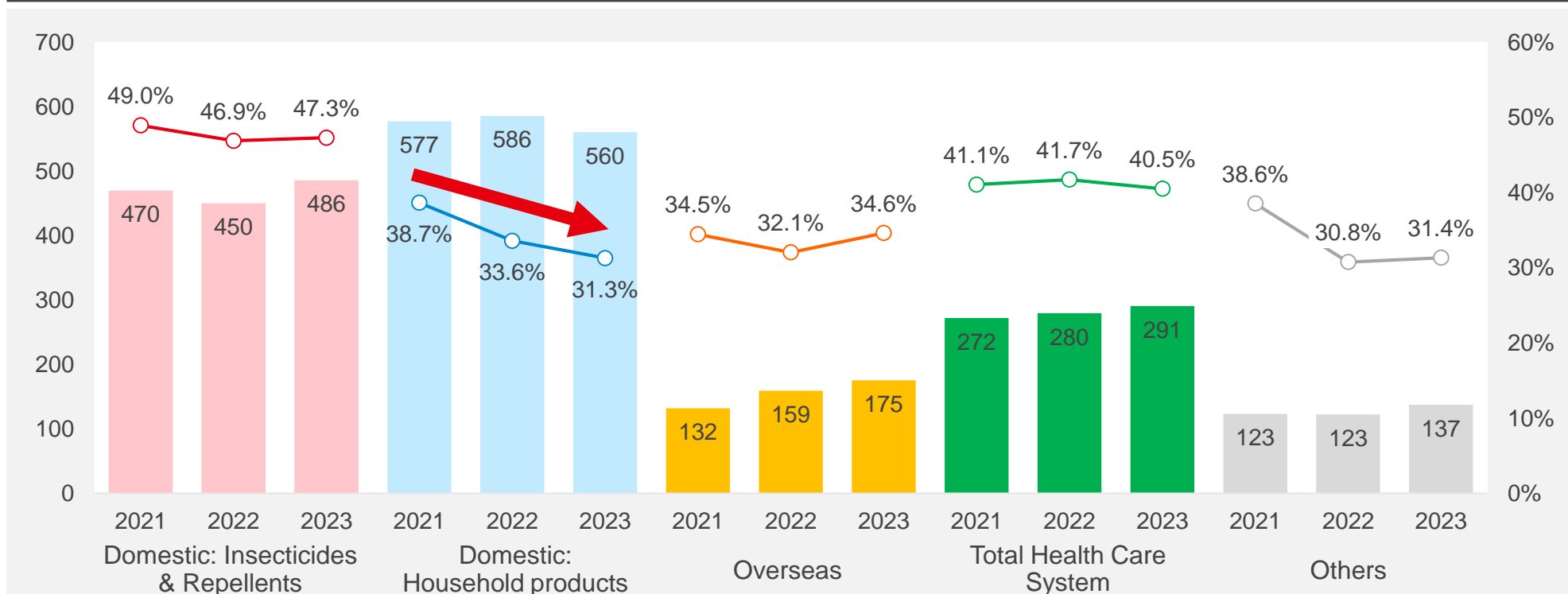
Management Accounting Basis: Sales / GPM (2021-2023)



- Domestic - Insecticides & Repellents: Upward trend in sales and stable high levels of profitability make this segment the Company's core earnings source.
- Domestic - Household products: We saw heightened competition due to a market slowdown and incomplete cost pass-throughs led to a lower GPM.
- Overseas: Delivered overall sales growth, with a GPM recovery in 2023.
- Total Health Care System: Stable sales growth thanks to growth in the number of contracts. This segment maintains high profitability second only to Insecticides & Repellents.

Sales / GPM by Portfolio

(Unit: 0.1 billion JPY)

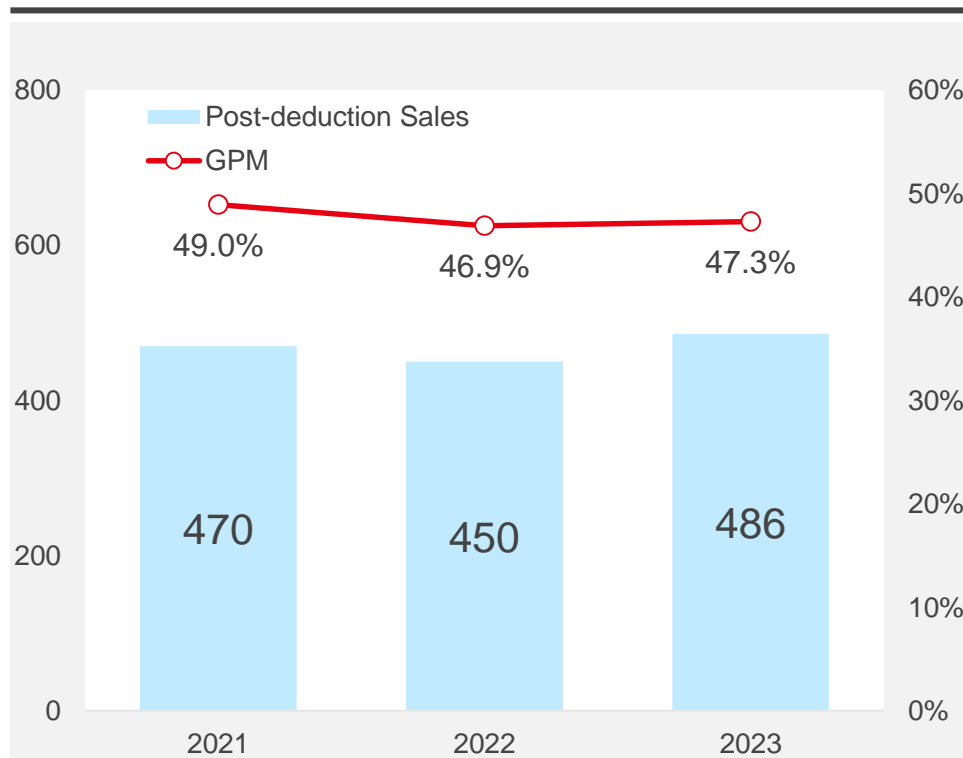


Domestic: Insecticides & Repellents Revenue Status

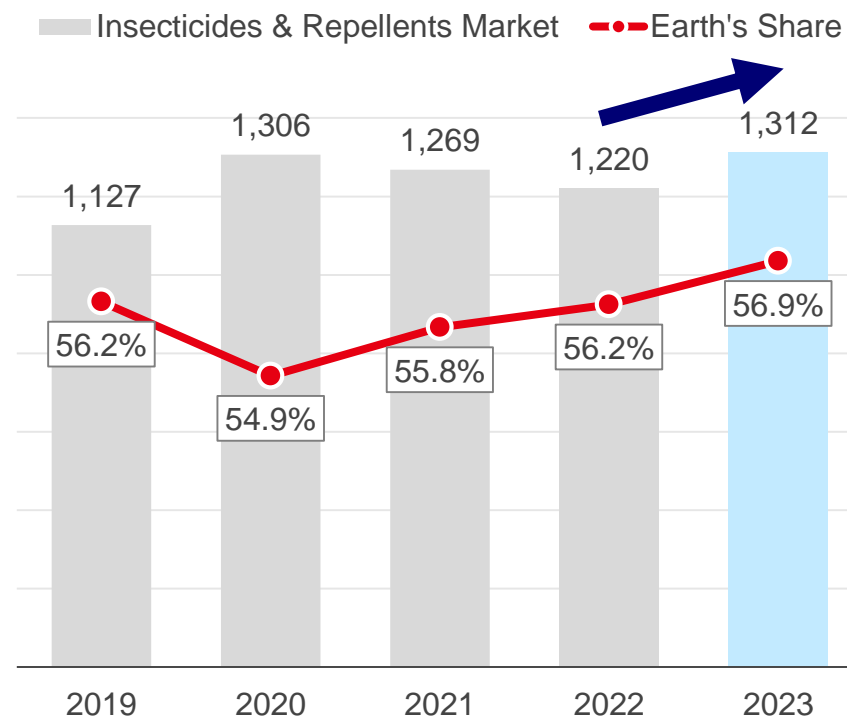


- Amidst the impact from soaring raw material prices, we executed cost pass-throughs as the top manufacturer in Japan. In doing so, we not just dampened the decrease in profitability, but also contributed to growing the scale of this market, within which our share grew.
- Product returns improved from 6.5% in 2021 to 6.2% in 2023, with further room for improvement remaining.
- The Earth Group's core earnings source remains solid.

Domestic: Insecticides & Repellents - Post-deduction Sales & GPM*



Domestic: Insecticides & Repellents - Trends in Market Scale & the Earth Group's Share (Unit: 0.1 billion JPY)



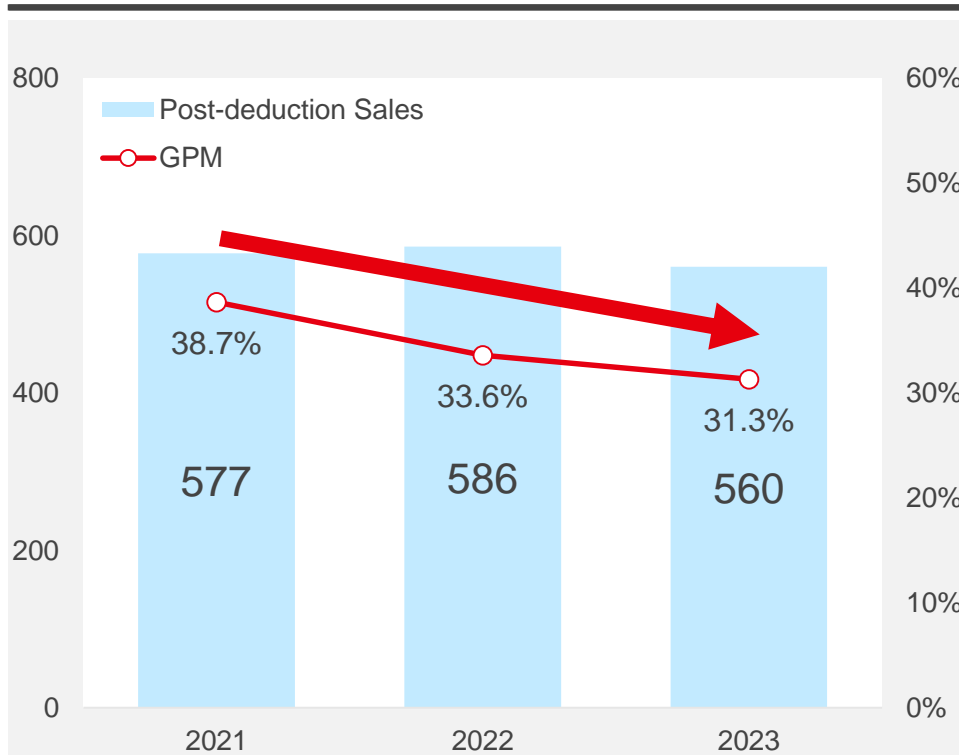
Domestic: Household Products Revenue Status



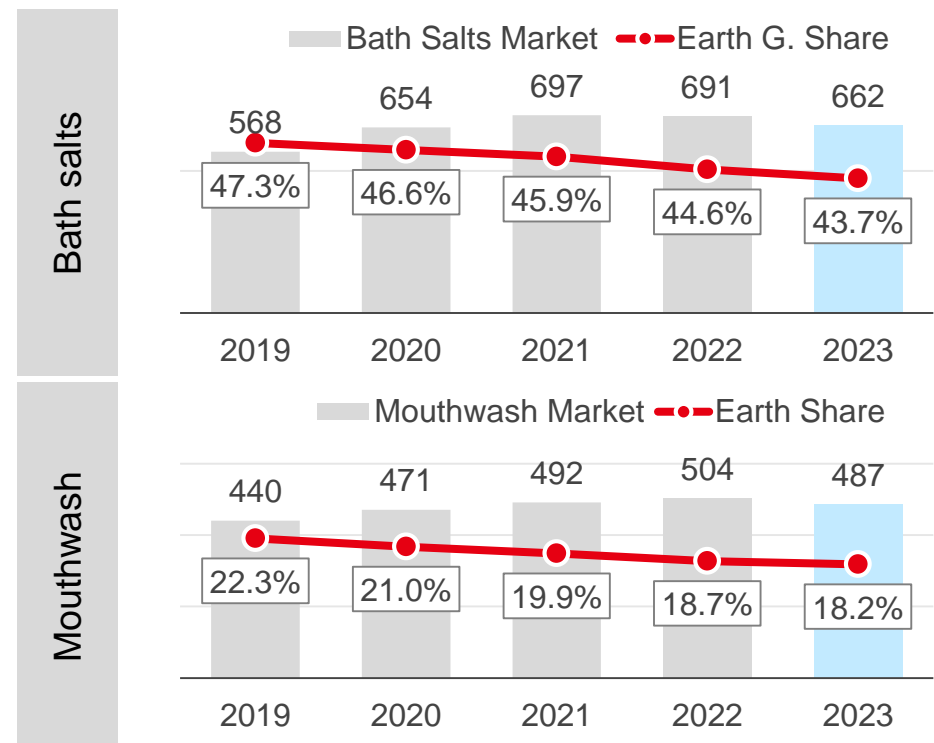
(Unit: 0.1 billion JPY)

- Greater competition in our core markets of bath salts and mouthwash products, due to new entrants and lower demand.
- While we attempted cost pass-throughs amidst a decrease in market share, we were unable to deliver sufficient results.

Domestic: Household Products - Post-deduction Sales & GPM*



Trend in Market Share for the Main Product Categories



Domestic: Household Products - Diversification of Categories Offered

- In anticipation of increased demand resulting from the COVID-19 pandemic, we launched products in new categories, e.g., sanitizer and nursing care products, and household detergents. However, rapid and drastic changes in the market environment have led to lower profitability.
- This diversification led to dispersion in terms of marketing recourses, so there is a need for us to refocus these on our core competences and enhance brand awareness in core categories.

Examples of Product Launches in New Categories



Sanitizer products

Nursing care products

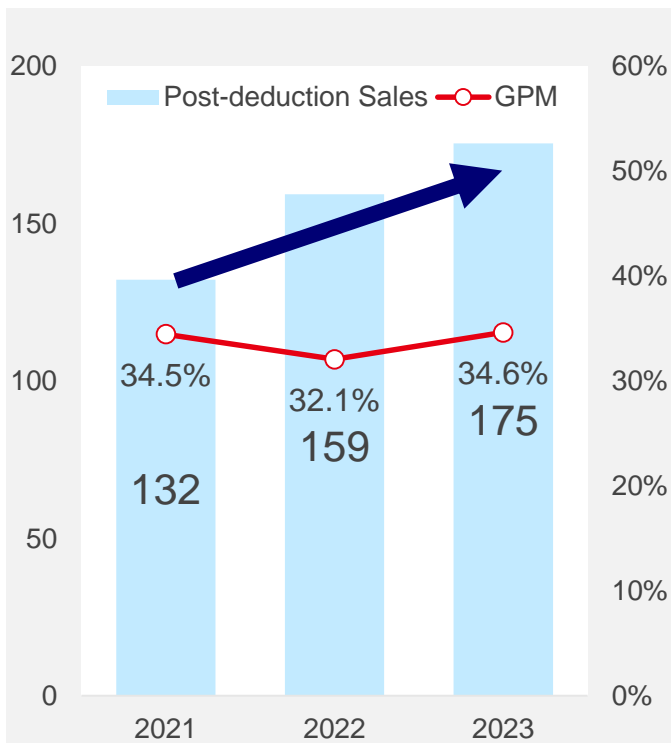
Household detergents

Overseas: Revenue Status

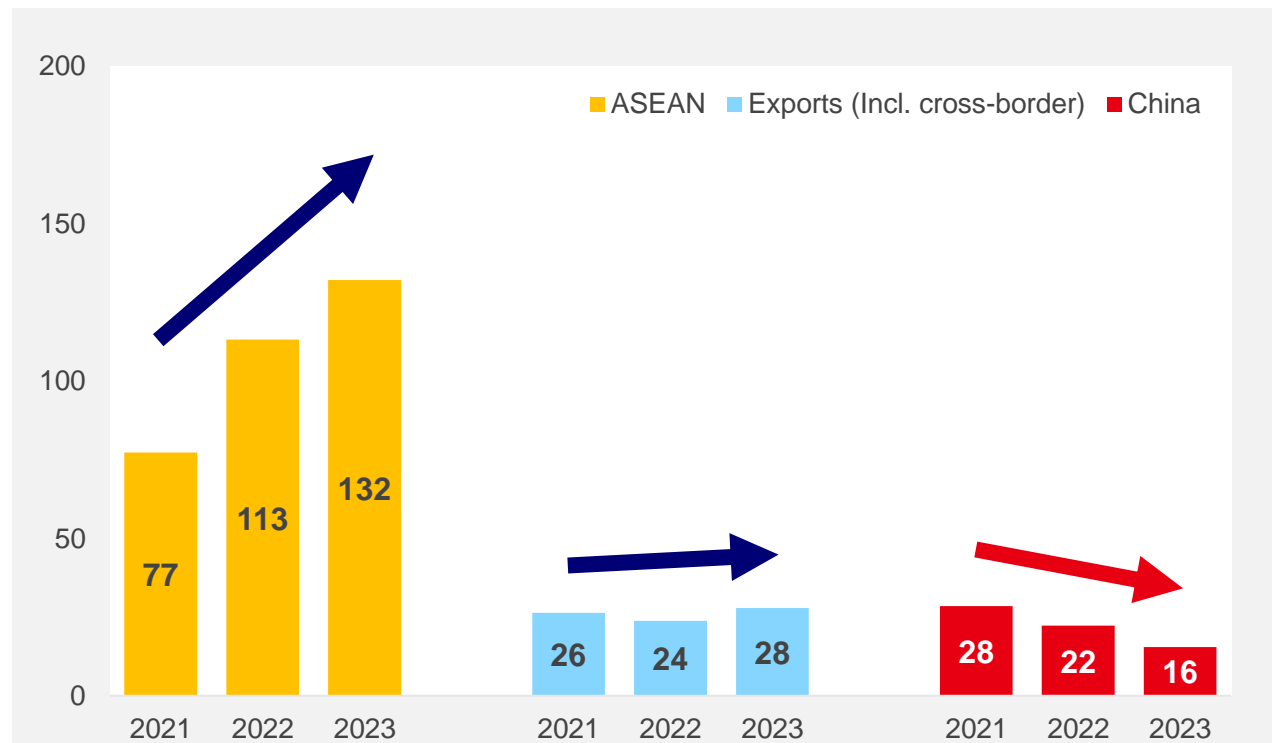


- In ASEAN, we are seeing steady sales growth in Thailand and Vietnam, and are now in an expansion phase in Malaysia and the Philippines.
- Strong results in the export business, especially exports to the Middle East and the U.S. Conversely, the cross-border e-commerce business targeting the Chinese market worsened.
- Lower sales in China, also partially on account of changes in the external environment in the region.

Overseas: Post-deduction Sales & GPM*



Overseas: Sales by Category* (Unit: 0.1 billion JPY)



Overseas: Business Status



ASEAN Core Area (Thailand & Vietnam)

- | | |
|-----------------|---|
| Thailand | <ul style="list-style-type: none"> Focus on insecticides & repellents, air fresheners/deodorants, and mouthwash. Secured no. 2 market share in insecticides & repellents (16.8% in 2023); aim for no. 1 by 2025 in Thailand. Work to enhance the brand value of [ARS] through initiatives to prevent the spread of dengue fever. |
| Vietnam | <ul style="list-style-type: none"> Steady performance from our core category of household detergent products. Enhanced EARTH NO MAT and aerosol products within insecticides & repellents and increased number of stores carrying these SKUs. Success in growing the number of stores carrying our air fresheners/deodorants and mouthwash products. |

ASEAN Expansion Area (Malaysia & The Philippines)

- | | |
|--------------------|---|
| Malaysia | <ul style="list-style-type: none"> Established in 2019. This was immediately followed by the outbreak of COVID and its associated restrictions, leading to results falling short of our estimates. Carried out contract reviews with distributors in order to rebuild sales channels. Further efforts to introduce staple products to main accounts & promote the development of new channels. |
| Philippines | <ul style="list-style-type: none"> Started business development following M&A in 2022. Introducing insecticides & repellents with existing channels/products as the core. Promote the development of new channels. |

Exports

- | | |
|---------------|--|
| ME | <ul style="list-style-type: none"> Carried out business primarily in Saudi Arabia. Brought an enhanced version of EARTH NO MAT to market, allowing us to grow results. |
| Taiwan | <ul style="list-style-type: none"> Success from the introduction of new products, primarily insecticides & repellents. |
| NA | <ul style="list-style-type: none"> Business expansion strategy with cockroach control products at its core. |

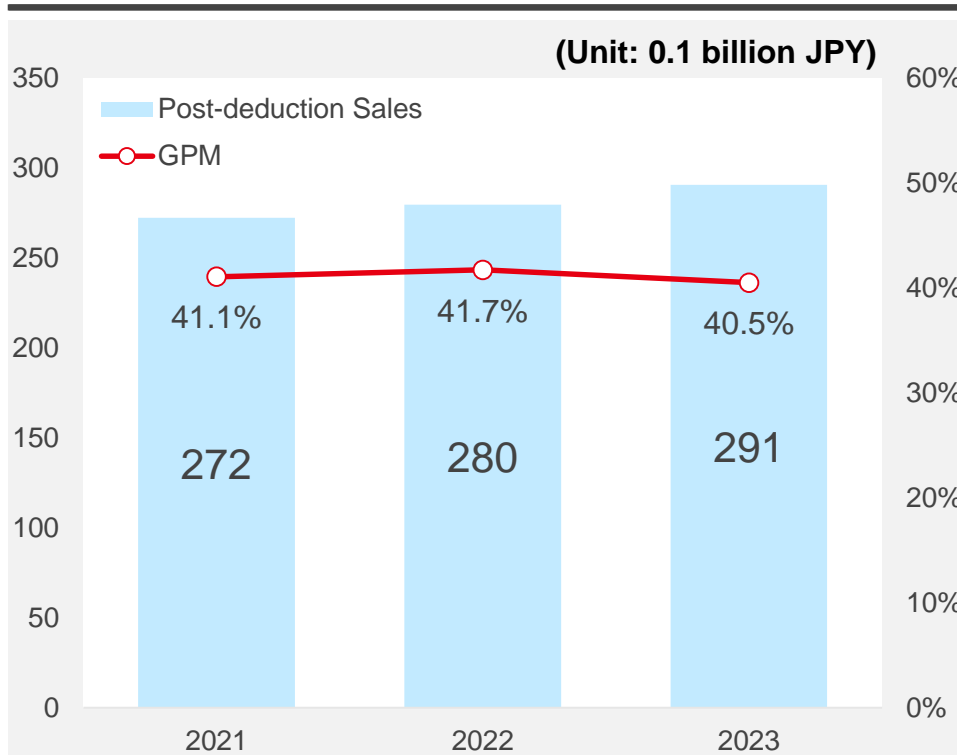
China

- | | |
|---------------------|---|
| Locally | <ul style="list-style-type: none"> Significant slump following a market slowdown. While we focused on developing EC channels, we saw a sluggish performance in terms of shipments, starting in 2023, due to excess inventories. |
| Cross-border | <ul style="list-style-type: none"> Cross-border struggled due to changes in the external environment, e.g., a slump in the livestream shopping market. |

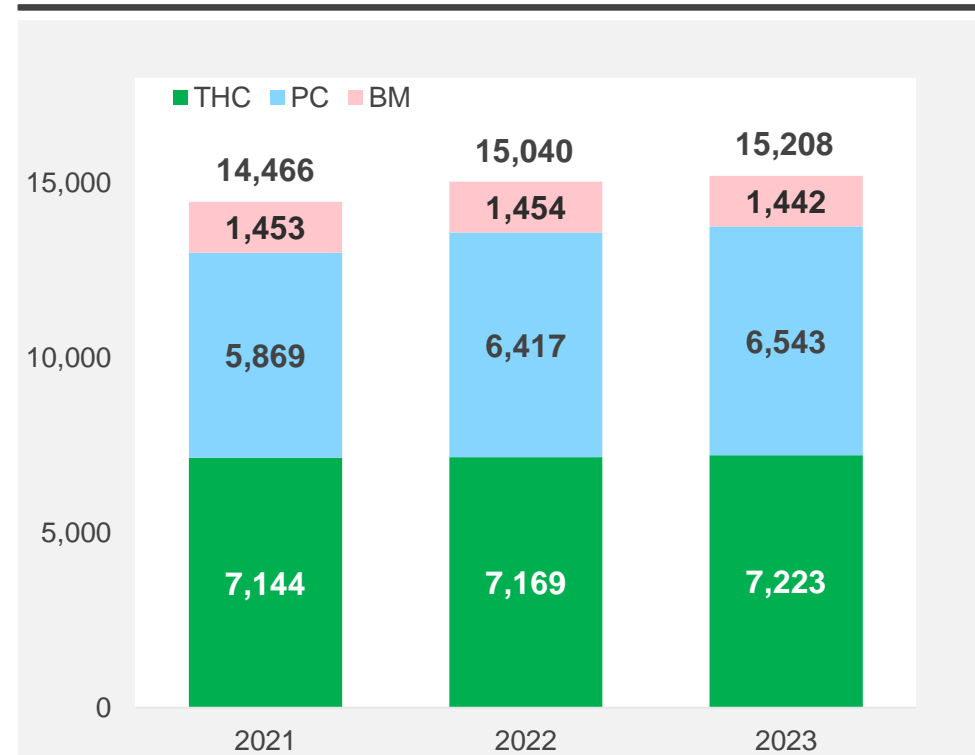
Total Health Care System: Revenue Status

- The number of contracts has grown year in, year out, fueled by greater demand, with a robust foundation allowing us to deliver earnings in a stable manner.
- There is room for further global expansion, including to Vietnam in addition to China and Thailand.

Total Health Care System -
Post-deduction Sales & GPM*



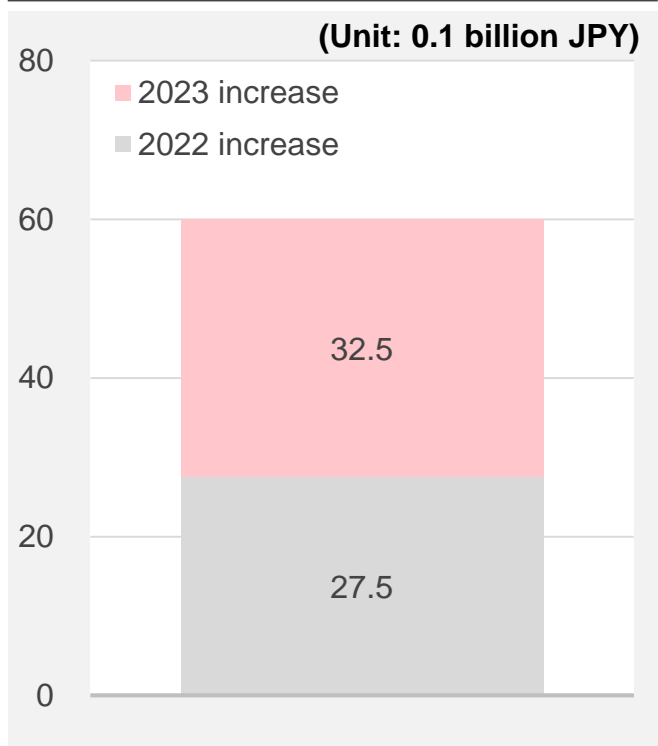
Total Health Care System - Trend in Annual Contract Numbers



Impact of Changes in the External Environment

- Soaring prices for raw materials, packaging & other materials, manufacturing costs, etc. led to a net increase in costs of 6 billion yen in 2 years.
- We had planned a total profit contribution of 3.0 billion yen from price revisions in 2023. Here, while Insecticides & Repellents delivered good results, results were anemic for Household products, so ultimately, price revisions translated into a contribution of 2.1 billion yen.

Impact from Soaring Raw Material Prices, etc.



Positive Effect from Price Revisions



Spring: 68 SKUs (Insecticides & Repellents:49; Household products:19)
 Fall: 45 SKUs (Household products)

Investment Carried out During the MTBP

- Raised 12.5 billion yen in equity financing in 2020.
- More active capex, e.g., upgrading our IT infrastructure and enhancing production capacity.
- Acquired the [BARTH] brand through transfer and also carried out M&A investment through the acquisition of a local subsidiary in the Philippines, etc.

Equity Financing & Investments

| | Initial Intended Use | Realized Uses | Investment Amount |
|---|--|--|-------------------|
| 2020 Equity finance 12.5 B yen | <ul style="list-style-type: none"> Investment to expand our profit foundation in Asia | <ul style="list-style-type: none"> Acquired [BARTH]: 3.5 B yen Acquired [EHPPI]: 2.0 B yen | 5.5 B yen |
| | <ul style="list-style-type: none"> Investment in ESG & Innovation | <ul style="list-style-type: none"> MA-T-related investment Exploratory upfront investment | 4.0 B yen |
| | <ul style="list-style-type: none"> Investment in ICT infrastructure Investment in DX | <ul style="list-style-type: none"> Revamping of core systems Build a system to help improve profitability by further enhancing the accuracy of supply/demand forecasts | 3.0 B yen |
| | <ul style="list-style-type: none"> New capex | <ul style="list-style-type: none"> Expanded production capacity for our [Onpo] bath salts Improve manufacturing efficiency | 2.5 B yen |

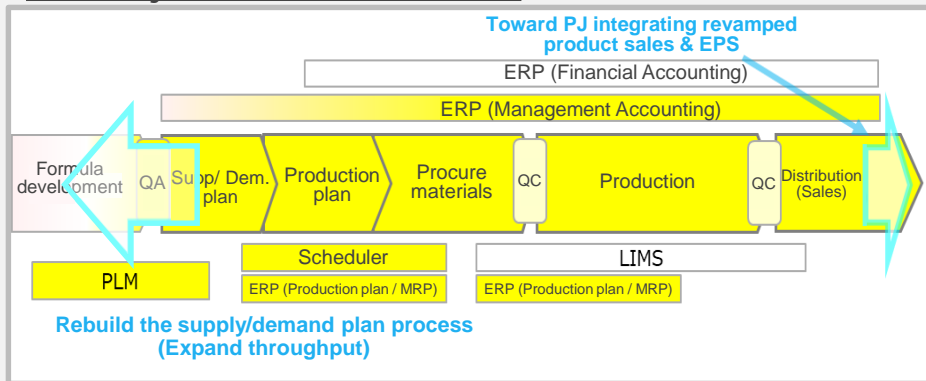
System Investment & Management Accounting Enhancements



- Completed building our core system, integrating and preparing all processes and data – from the production phase all the way to sales.
- Separate fixed/variable expenses to better understand the earnings structure, allowing for more sophisticated forecasting and management.
Work to restructure the portfolio by increasing revenue transparency on a per category/business department basis.

Revamping of the Core System

■ Project – Overall Outline



Carried out a comprehensive system revamp – from the engineering chain to the supply chain, and promoted digitalization. Aim toward productivity improvements. (expand throughput).

Earth’s Management Accounting: Items

| | |
|-------------------------------------|--|
| Total Sales | |
| Product Returns | |
| Net Sales | |
| Sales Promotion Expenses | |
| Post-deduction Sales | |
| COGS | |
| Product Disposal Expenses | |
| Gross Profit | |
| Distribution Expenses | |
| Marginal Operating Income | Decisions re: commercialization & product profitability evaluation indicator |
| Business Department Expenses | |
| Direct Operating Income | Business Department Evaluation Indicators |
| Advertising Expenses | |
| R&D Expenses | |
| Marketing / Research Dept. Expenses | |
| Contribution Margin | Business / Category profitability evaluation indicator |
| Staff Dept. Expenses | |
| Operating Income | |

↑
↓ Variable Expenses
↑
↓ Fixed Expenses

Within management accounting, the Earth Corporation has its own proprietary definition of “**Marginal Operating Income.**” Put in place a structure for the timely reporting of monthly data.

Review - Summary

- While we started efforts to expand business and improve profitability in overseas areas, each initiative has seen varying levels of success, and we're currently still in the process of shifting to a leaner management structure.

1

While our overseas business continues on an expansion trajectory, challenges related to growth remain for each country and their respective business stages.

- While we succeeded in delivering sales growth in the ASEAN region and the export business, we were unable to achieve sales growth and market share expansion in China due to changes in the external environment.

2

Insecticides & Repellents continue to generate stable revenue. Unable to fully complete cost pass-throughs for Household products, leading to a worsening in revenue. Need to enhance brand recognition to nurture second revenue pillar.

- Cost pass-throughs in Insecticides & Repellents allowed us to limit the impact of soaring raw material prices, but reducing product returns remains an issue.
- Progress in diversifying categories with sanitizers, nursing care, and household detergent products. This led to dispersion in brand investment, which among other factors, resulted in insufficient resource allocation to our core products of bath salts/mouthwashes and a decrease in market share.

3

Promoted system investment and the introduction of management accounting. Put in place a foundation toward a comprehensive transformation going forward.

- Centralized data – all the way from manufacturing to sales. Reviewed the workflow through digitalization and are working to expand throughput.
- Build management accounting structure allowing for the monitoring of business and category revenue in a timely manner. Toward portfolio restructuring.



Earth Corporation

New Mid-term Business Plan (2024-2026)

Targets in the New MTBP to Address Issues



Continue enhancing the earnings structure while also carrying out growth investment in Household products in Asia and Japan

1

While our overseas business continues on an expansion trajectory, challenges related to growth remain for each country and their respective business stages.

Work to further accelerate growth in the Overseas business, which has high growth potential.

2

Insecticides & Repellents continue to generate stable revenue.
Unable to fully complete cost pass-throughs for Household products, which led to worsening in revenue.
Need to enhance brand recognition to nurture second revenue pillar.

Nurture Household products as a second revenue pillar while enhancing brand recognition.

3

Promoted system investment and the introduction of management accounting.
Put in place a foundation toward a comprehensive transformation going forward.

Enhance overall Group governance and aim to execute restructuring toward the generation of synergies.

Concept for the New MTBP

Three-year preparatory period toward a shift from individual optimization to overall Group optimization efforts

Execute structural transformation to enhance earnings

Domestic operations drive revenue
Overseas operations drive sales

Synergy generation
Group restructuring
Enhance governance

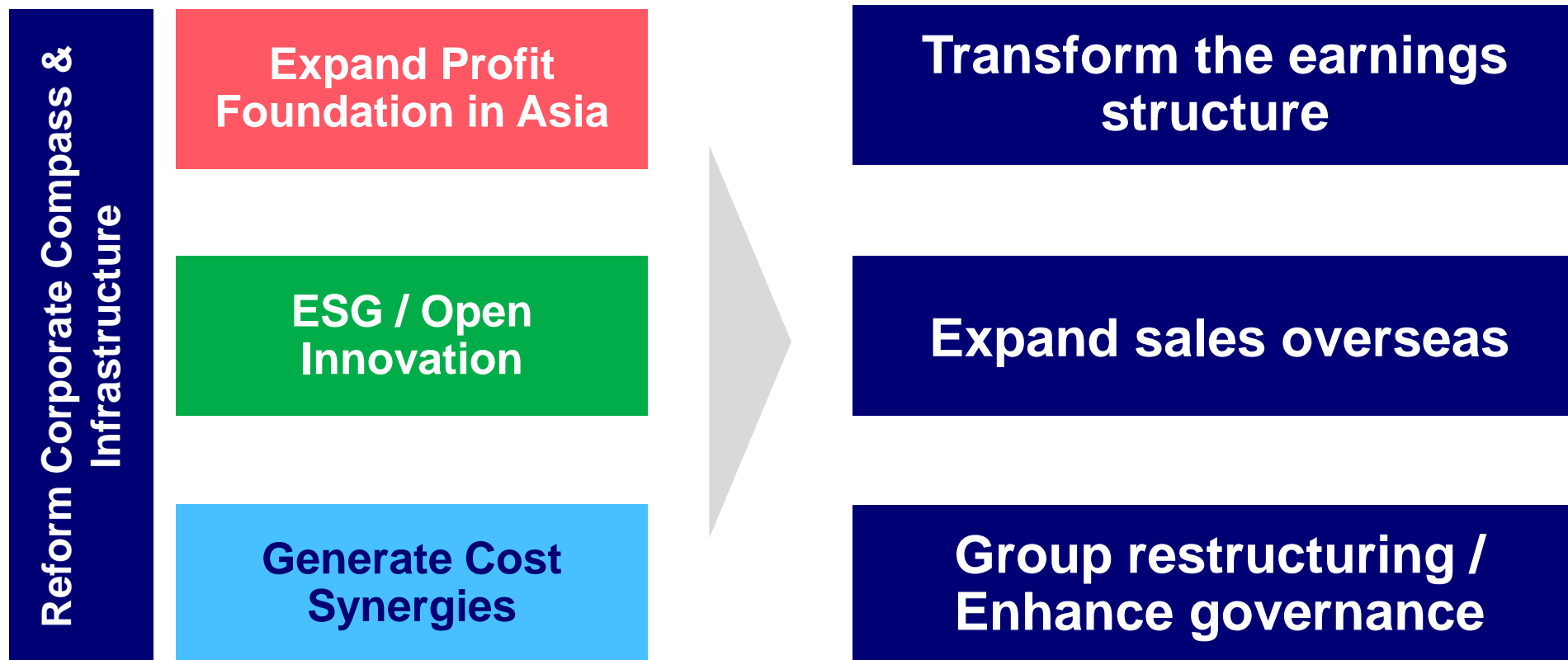
2025 – which marks the Company’s 100th Anniversary – will see the rebirth of the Earth Group

Positioning of the New MTBP

Three-year period to build a revamped structure for the Earth Group

Medium-Term Business Plan (2021 - 2023) Main Drivers

Medium-Term Business Plan (2024 - 2026) Main Drivers



Act For SMILE COMPASS 2026

SLOGAN

Our Group Working Together Toward a Bright Tomorrow for EARTH

Now is the time to fully actualize the Earth Group's potential. Throughout the duration of the MTBP, we will be putting in place a structure allowing us to actualize our potential, allowing the Earth Group to grow to become an even more robust organization toward a bright future.

Earth Group's Medium-to-long-term Concept

SLOGAN

Our Group Working Together
Toward a Bright Tomorrow for EARTH



2021 2022 2023 2024 2025 2026 2027 2028 ...

COMPASS 2023

COMPASS 2026

Next MTBP

Transform the earnings structure & build a framework

Drive sales: Overseas

Drive revenue: Domestic

Expand Profit
Foundation in
Asia

Generate Cost
Synergies

Grow
market
share

Cultivate
markets

Review
businesses

Shift the
business
portfolio

Optimize
release
allocation

Enhance global expansion

ESG / Open
Innovation

Reform
Corporate
Compass &
Infrastructure

Nurture a second revenue
pillar after Insecticides &
Repellents

Build a foundation: Group

Enhance oversight of
Overseas/Group companies

Enhance M&A capabilities

Enhance investment
profitability

Maximize Group
sales & profits

Build a
foundation for
diverse business
development

Group
restructuring &
enhanced profit
structure

Operating Income
Margin

Main Driver ①: Transform the Earnings Structure



Nurture a second revenue pillar following Insecticides & Repellents

- **Concentrate in brand, SKU core competencies**
 - ▶ Review our expanded product selection in Household products and focus on products with future potential and profitability.
 - ▶ Selection to reduce the number of SKUs tracked. (Aim for a 30% reduction.)
- **Proactive investment in Bath salts/Oral hygiene products**
 - ▶ Review allocation of marketing resources and promote brand awareness and WTP (Willingness To Pay).
 - ▶ Foster favorable associations by customers and re-formulate KPIs to track and increase customer's rate of recall associated with our brand.
- **Raise unit values ASAP by raising the value of our brand**
 - ▶ Enhance customer-oriented marketing communication.
 - ▶ Raise customer mind share by developing an effective message to communicate to our target customers and through content creation.

Main Driver ①: Transform the Earnings Structure



Leverage the corporate compass & infrastructure and derive benefits

- **Reduce the COGS ratio**
 - ▶ Our policy is to aim to reduce our environmental footprint and eliminate product returns in Insecticides & Repellents. We further seek to reduce product waste.
 - ▶ Lower costs by enhancing our sourcing for the overall Group and globally.
- **Enhance manufacturing and sales coordination**
 - ▶ Promote S&OP and enhance supply/demand adjustment functions to achieve the automatic proposal of optimal production plans.
Minimize product shortages and optimize inventories to improve cash flow.
 - ▶ Reduce fixed expenses and CO2 emissions through the fundamental review of distribution operations.
- **Optimize marketing expenses**
 - ▶ Review the allocation of advertising and sales promotion expenses toward enhancing our brand and eliminating product returns. Through these efforts, we seek to optimize our marketing portfolio.

Main Driver ②: Expand Sales Overseas

Put in place a growth foundation in coordination with our strategy for each area

- **Enhance strategies on a per-area basis**
 - ▶ Growth potential: Promote further acquisition of market share in Thailand/Vietnam and expand exports into North America and the Middle East.
 - ▶ New areas: Expand sales channels in Malaysia/the Philippines and work to build a sales foundation.
 - ▶ Strategy review: Shift to a strategy focused on earnings in China, which continues to see market weakness.
- **Enhance overseas supply chains**
 - ▶ Enhance supply chains from a standpoint of overall optimization linked with the medium-to-long-term plans for each area.
 - ▶ Build a manufacturing structure including M&A.
- **Enhance human resources toward a global shift**
 - ▶ Actively promote the hiring and training of global human resources.
 - ▶ This is the Earth Group's main human capital materiality.

Main Driver ③: Group Restructuring

Restructure our organization from the standpoint of overall optimization toward generating synergies.

- **Carry out Group restructuring**
 - ▶ Concentrate/integrate corporate planning functions and establish [Corporate Planning Headquarters] to advance transformation.
 - ▶ Launch a Group restructuring project for total optimization with the objective of generating synergies.
- **Enhance our M&A structure**
 - ▶ Restructure a long/short list of M&A projects. (Overseas/new categories/VC, etc.)
 - ▶ Enhance due diligence efforts and put in place an adequate hurdle rate.
 - ▶ Enhance our PMI structure in order to generate synergies ASAP.

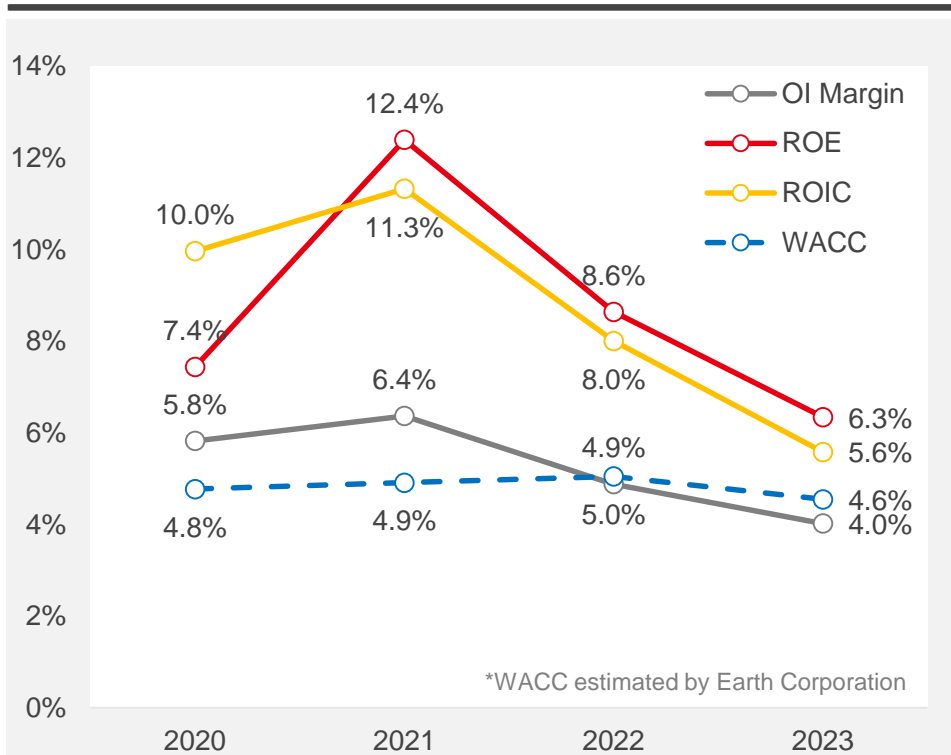
Overview of Profitability & Capital Efficiency



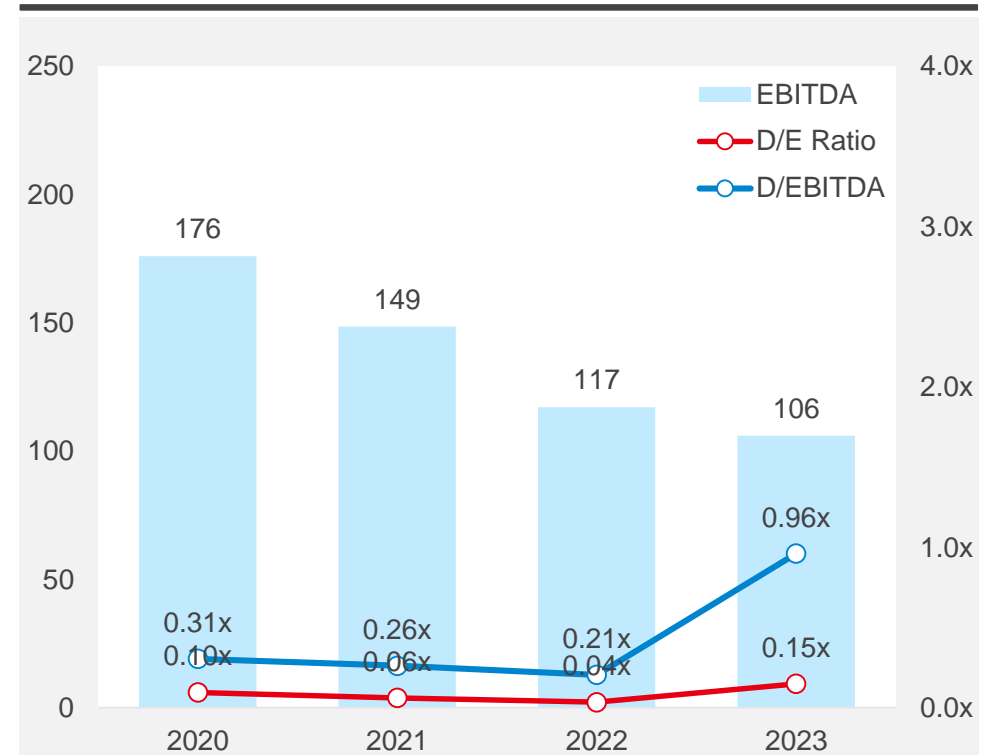
(Unit: 0.1 billion JPY)

- While ROE and ROIC are down as a result of a decrease in our earnings power and profitability, the debt ratios remain low and WACC remains high following the execution of equity financing in 2020.
- The efficient use of Debt to allow for growth investment remains a challenge, also from the point of view of achieving an optimal capital structure and capital cost.

Profitability & Capital Efficiency

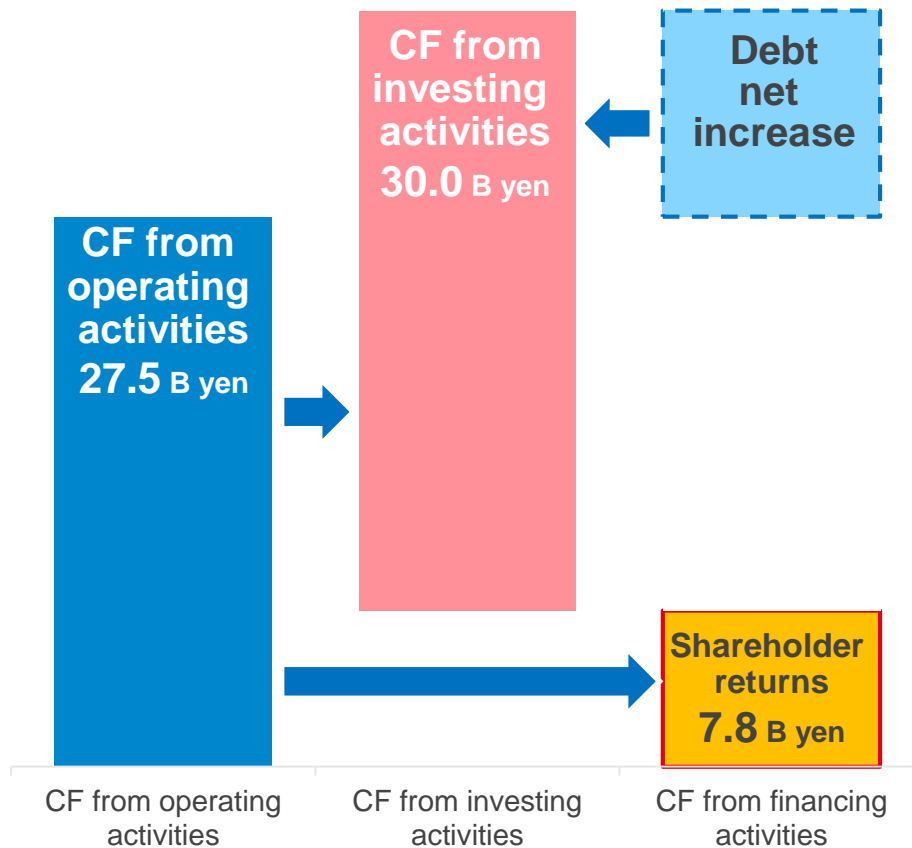


EBITDA & D/E Ratio & Debt/EBITDA



Cash Allocation (2024 - 2026 Cumulative: Outline)

- Transform the earnings structure to improve profitability and inventory efficiency as a base for generating cash.
- We expect to utilize Debt as a source for growth investment, all the while ensuring the maintenance of a sound financial foundation.
- Continue the stable payment of dividends as part of shareholder returns.



[Interest-bearing debt]

- Agile approach to procuring debt when necessary.
- D/E ratio: 0.3 - 0.4x – ensuring a sound financial foundation.

[Investment]: We are planning on approx. 30.0 B yen

- Structural transformation capital: 5.0 - 6.0 B yen
- Investment in infrastructure/IT digital: 15.0 B yen (5.0 B yen/year)
- Investment in human resources: 1.0 B yen
- Capital for future M&A: 10.0 B yen

[Shareholder returns policy]

- Distribution of stable dividends aiming for a DOE target of 4%.
- Consider flexible share buyback programs.

2026: Quantitative targets



- As of 2026, the reaping of some of the results of the structural reforms will start, but is considered only a passing point.
- After three years of preparation, dramatic growth will be achieved from 2027 onwards.

(Unit: 0.1 billion JPY)

| | | 2023 Realized | 2026 Plan | Rise & Fall |
|----------------------------|--|---------------|--------------------------|---------------|
| Profitability | Consolidated Sales | 1,583 | 1,700 | +117 |
| | (Overseas sales*) | 175 | 250 | +75 |
| | Sales ratio | 11.1% | 14.3% | +3.2pt |
| | Operating Income | 63.7 | 70 | +6.3 |
| | OIM | 4.0% | 4.1% | +0.1pt |
| | Net Income attributable to owners of parent | 41.0 | 43.0 | +2.0 |
| Capital Efficiency | ROE | 6.3% | 7.2% | +0.9pt |
| | ROIC | 5.6% | 5.4% | -0.2pt |
| | WACC | 4.6% | 4.1% | -0.5pt |
| Financial health | D/E Ratio | 0.15x | 0.3~0.4x | |
| Shareholder returns | DOE | 4.0% | maintain 4% level | |

2024: Plan Highlights



- We expect to incur non-recurring expenses related to structural transformation. In addition to active investment in human resources, we have plans for active investment in key categories. (Bath salts and Oral care, which we position as our next major revenue source.)
- Also in light of the impact of soaring raw material prices, we forecast a profit decrease in FY 2024.

(Unit: 0.1 billion JPY)

| | 2024 Plan | Highlights | 2023 Realized |
|--|--------------|--|---------------|
| Sales | 1,650 | <ul style="list-style-type: none"> • We forecast sales growth in all 5 classifications within management accounting. • Plans to execute price revisions in Insecticides & Repellents in Japan this fiscal year, as well. | 1,583 |
| Gross Profit | 658.3 | <ul style="list-style-type: none"> • Expected COGS impact from soaring raw material prices of 1.1 B yen. • Profitability impact for Domestic Insecticides & Repellents and Household products. | 636.2 |
| SG&A Expenses | 628.3 | <ul style="list-style-type: none"> • This FY we expect 1.5 B yen in expenses related to structural transformation. • We expect +1.6 B yen in human resources investment and +1.1 B yen in investment in nurturing our brand. | 572.5 |
| Operating Income | 30.0 | <ul style="list-style-type: none"> • Temporary profit decrease due to structural transformation. | 63.7 |
| Net Income attributable to owners of parent | 17.9 | <ul style="list-style-type: none"> • We expect non-operating income and expenses in line with last year. • We don't expect large extraordinary income and loss items. | 41.0 |
| ROE | 2.7% | <ul style="list-style-type: none"> • Due to a temporary decrease in profitability. | 6.3% |

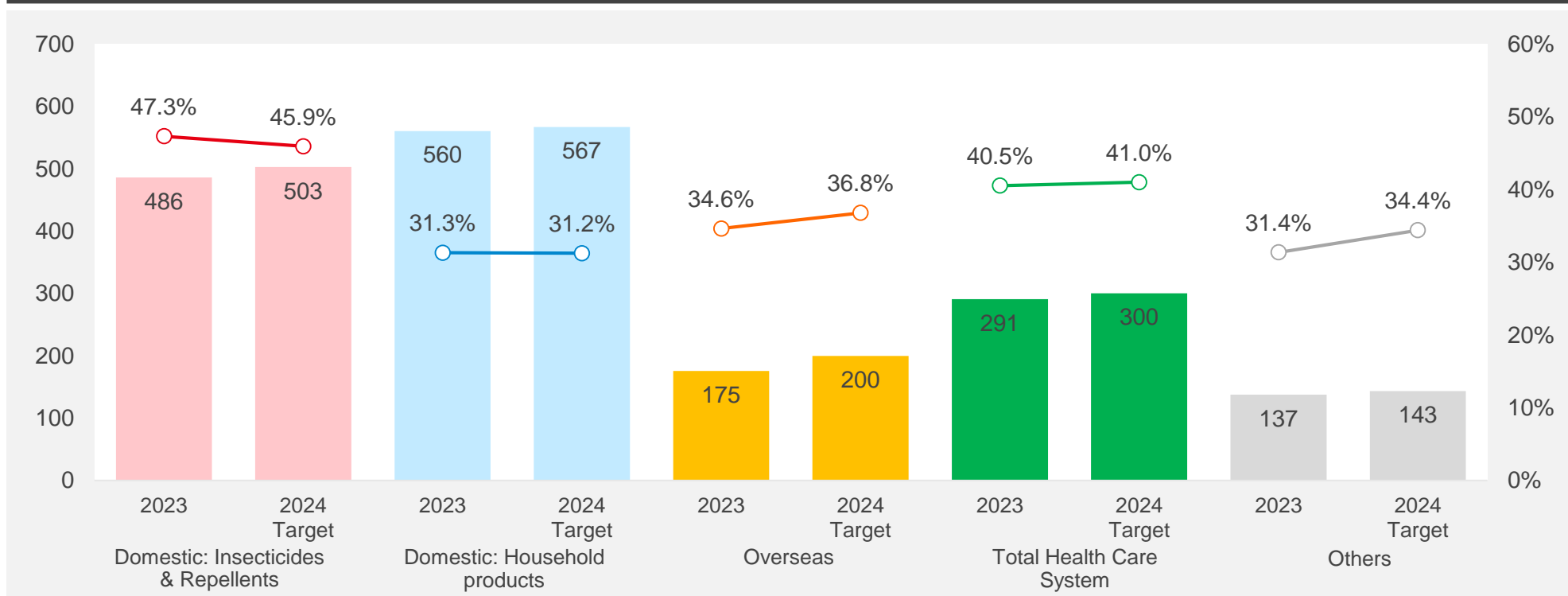
Management Accounting Basis: Sales & GPM (2023 vs 2024)



- Domestic - Insecticides & Repellents: We expect to continue carrying out price revisions and to achieve higher sales by growing our market share.
- Domestic - Household products: We expect sales growth thanks to a market share recovery in our core categories.
- Overseas: We expect sales growth, primarily centered around ASEAN and exports.
- Total Health Care System: Continue stable growth.

Sales & GPM by Portfolio

(Unit: 0.1 billion JPY)





Earth Corporation

Vision for the future

Act For SMILE COMPASS 2026

SLOGAN

Our Group Working Together Toward a Bright Tomorrow for EARTH

Now is the time to fully actualize the Earth Group's potential. Throughout the duration of the MTBP, we will be putting in place a structure allowing us to actualize our potential, allowing the Earth Group to grow to become an even more robust organization toward a bright future.

COMPASS = MTBP (Guiding Principles)

C: Customer first

O: Open communication

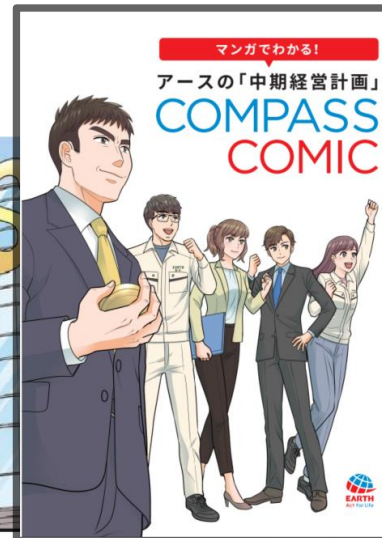
M: Mind-set for evolution

P: Proactive challenge

A: Agility in Asia

S: Sustainability

S: Smile



Earth Group's Medium-to-long-term Concept

SLOGAN

Our Group Working Together
Toward a Bright Tomorrow for EARTH



2021 2022 2023 2024 2025 2026 2027 2028 ...

COMPASS 2023

COMPASS 2026

Next MTBP

Transform the earnings structure & build a framework

Drive sales: Overseas

Drive revenue: Domestic

Expand Profit
Foundation in
Asia

Generate Cost
Synergies

Grow
market
share

Cultivate
markets

Review
businesses

Shift the
business
portfolio

Optimize
release
allocation

Enhance global expansion

ESG / Open
Innovation

Reform
Corporate
Compass &
Infrastructure

Nurture a second revenue
pillar after Insecticides &
Repellents

Build a foundation: Group

Enhance oversight of
Overseas/Group companies

Enhance M&A capabilities

Enhance investment
profitability

**Maximize Group
sales & profits**

Build a
foundation for
diverse business
development

Group
restructuring &
enhanced profit
structure

Operating Income
Margin

Become one of the Top 5 manufacturers of Household products in Asia by 2030

1

Maintain our no.1 position in the domestic Insecticides & Repellents market and acquire EHP/EGP share in bath salts/oral care

2

Secure a top-class position in Asia in the category of Insecticides & Repellents and Household products

3

Improve profit margins through a strategy fine-tuned to each category's market potential

Technology / Products

Our objective is the creation of new value from a customer-oriented point of view, leveraging the strengths unique to the Earth Corporation to develop and offer high value-added products.

Human resources

Train human resources with [a desire to address customer pain points and needs], [the drive to challenge oneself without fear of failure] and [the ability to build up a business from a global vantage point]

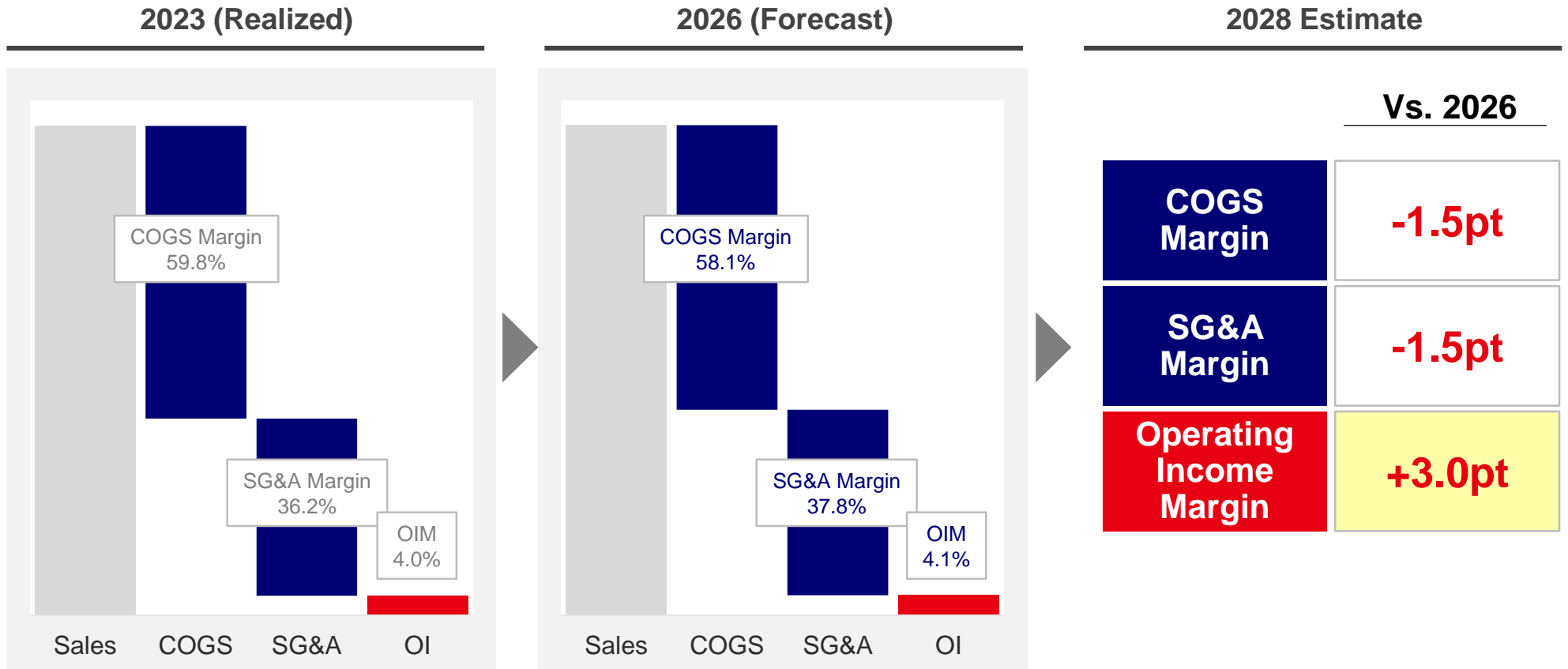
Management foundation

Promote DX with the objective of improving efficiency and increasing added value. Execute an investment strategy to deliver value creation in a way that only the Earth Group can.

Earnings Structure Target for 2028



- Transform the earnings structure and continue price revisions, making steady progress toward achieving our quantitative targets for 2026.
- In 2027 and beyond, we expect to reap the fruits of this transformation and improve profitability.



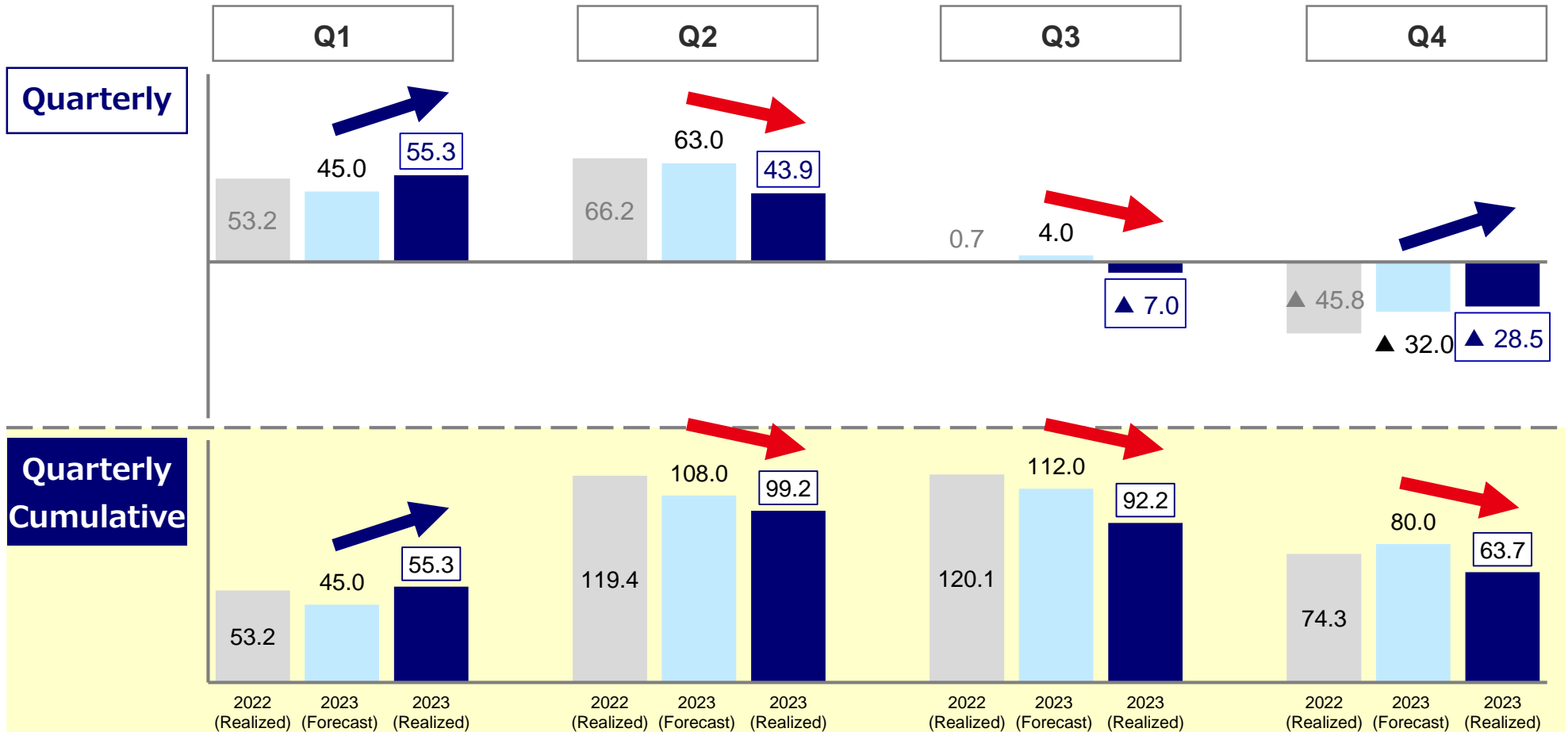
APPENDIX.

Progress Toward The Operating Income Target (Quarterly / Cumulative)



(Unit: 0.1 billion JPY)

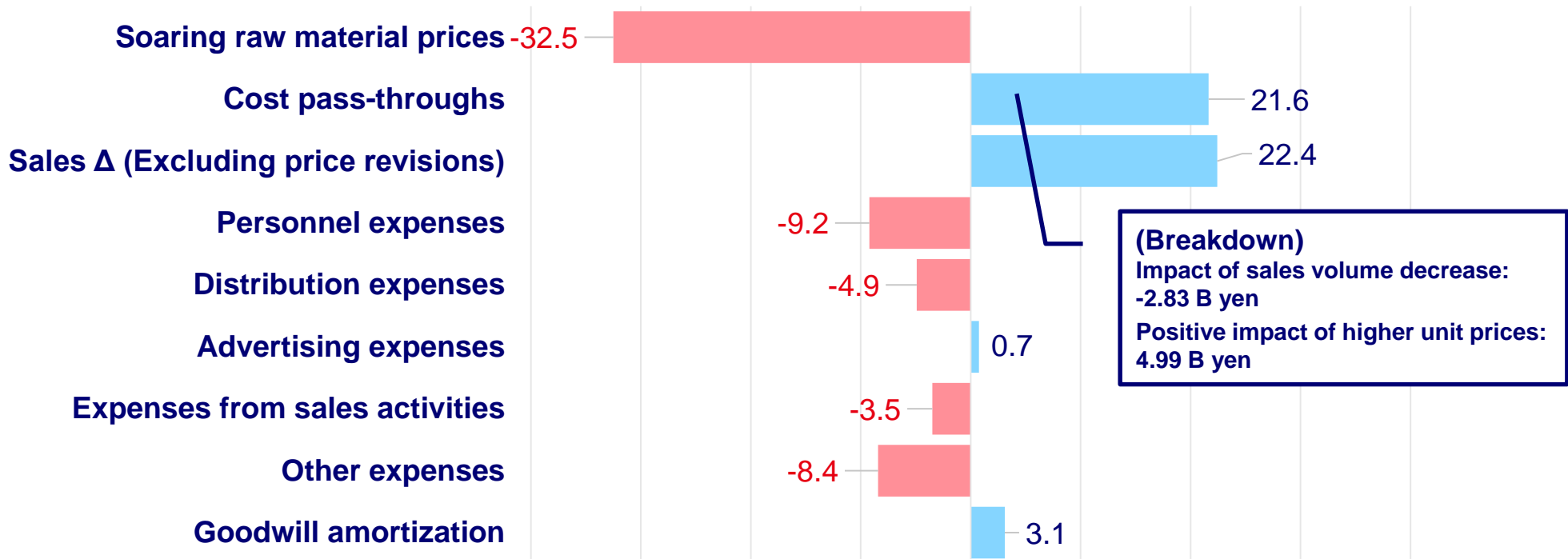
■ Q4 losses narrowed as a result.



Operating Income Change Factors (YoY)

(Unit: 0.1 billion JPY)

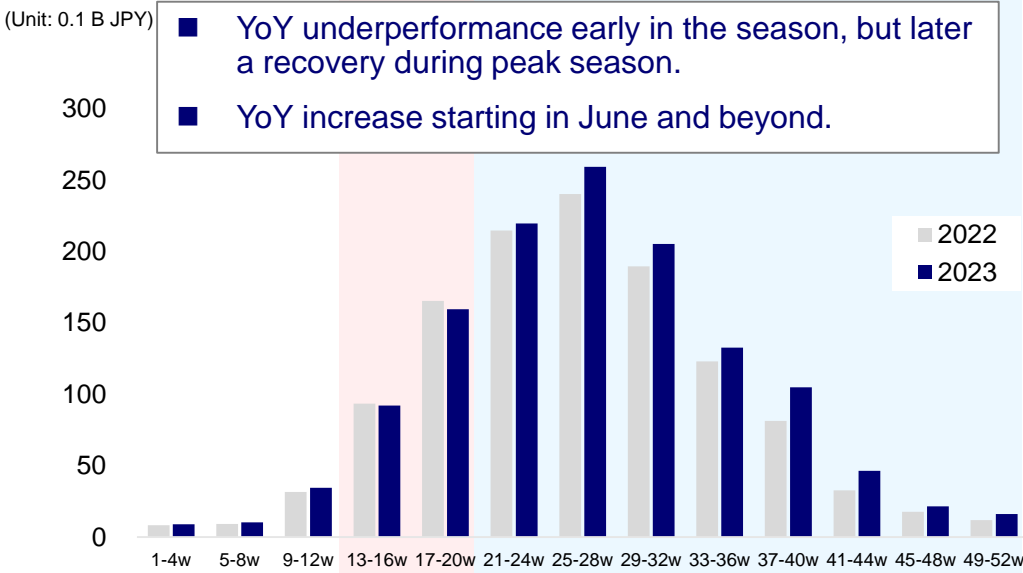
- Our price revision strategy bore some fruit, and sales growth excluding price revisions also contributed to sales.
- Conversely, soaring prices, e.g., raw materials, offset the gross increase in profits. This was coupled with increases in personnel and distribution expenses, and expenses from sales activities, resulting in lower profits.



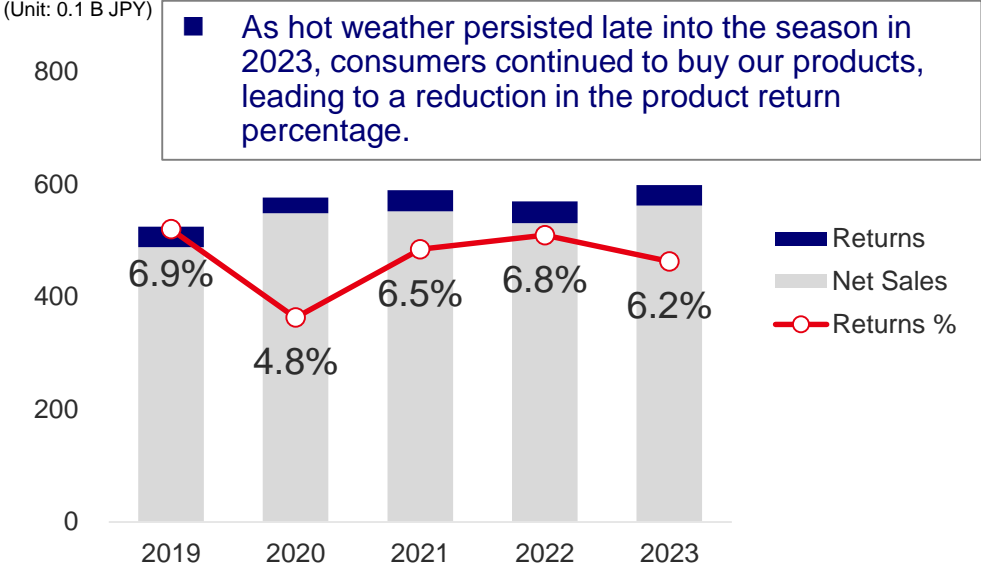
Status of the Insecticides & Repellents Segment (Domestic)



Trends in the Domestic Market by 4-week Period



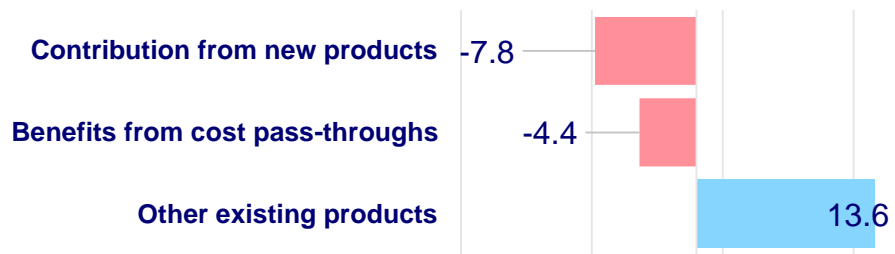
Domestic Market - Product Returns



Market overview & Earth Corporation's market share as of 12/31/2023

[Market YoY] **107.5%** [Market Share] **56.9% +0.6pt**

Sales Change Factors (Vs. Forecast)

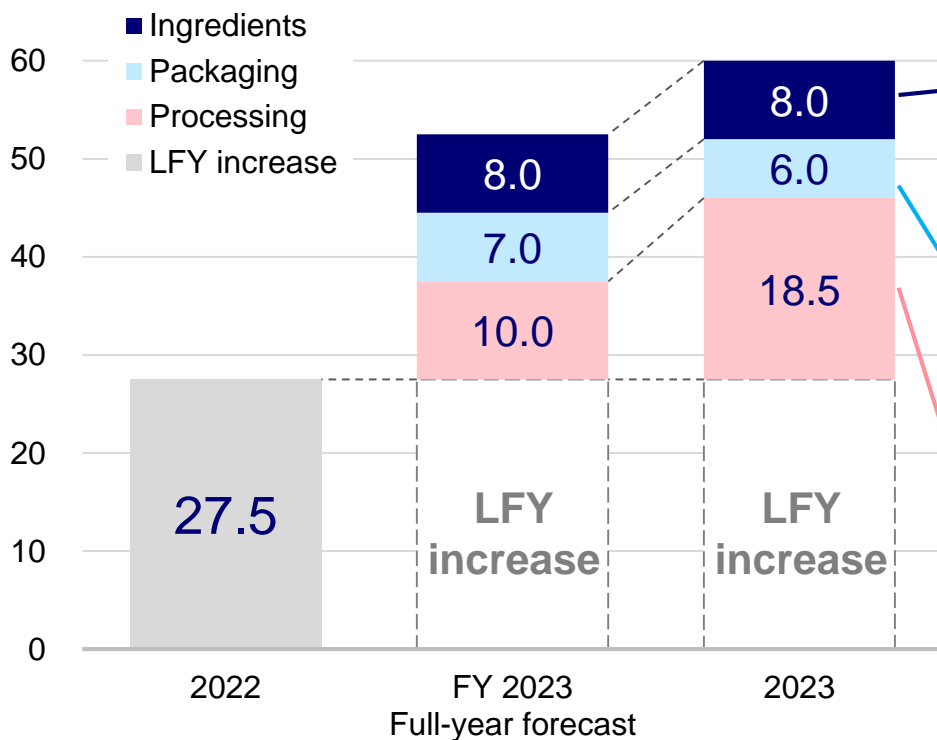


COGS - Status Overview

(Unit: 0.1 billion JPY)

- The impact at the end of the financial year exceeded expectations at 3.25 B yen, compared to the assumed annual impact of 2.5 B yen.
- The main reasons for the higher-than-expected results were higher energy costs and higher purchase prices for semi-finished products.

Rising COGS



Ingredients

In addition to price increases in FY 2022, we were also faced with cost increases for active ingredients for insecticides, sodium bicarbonate, alcohol, etc.

Containers / Packaging materials

Price increases across the board, for PET resins, exterior cases, cans, etc.

Processing expenses / Outsourcing

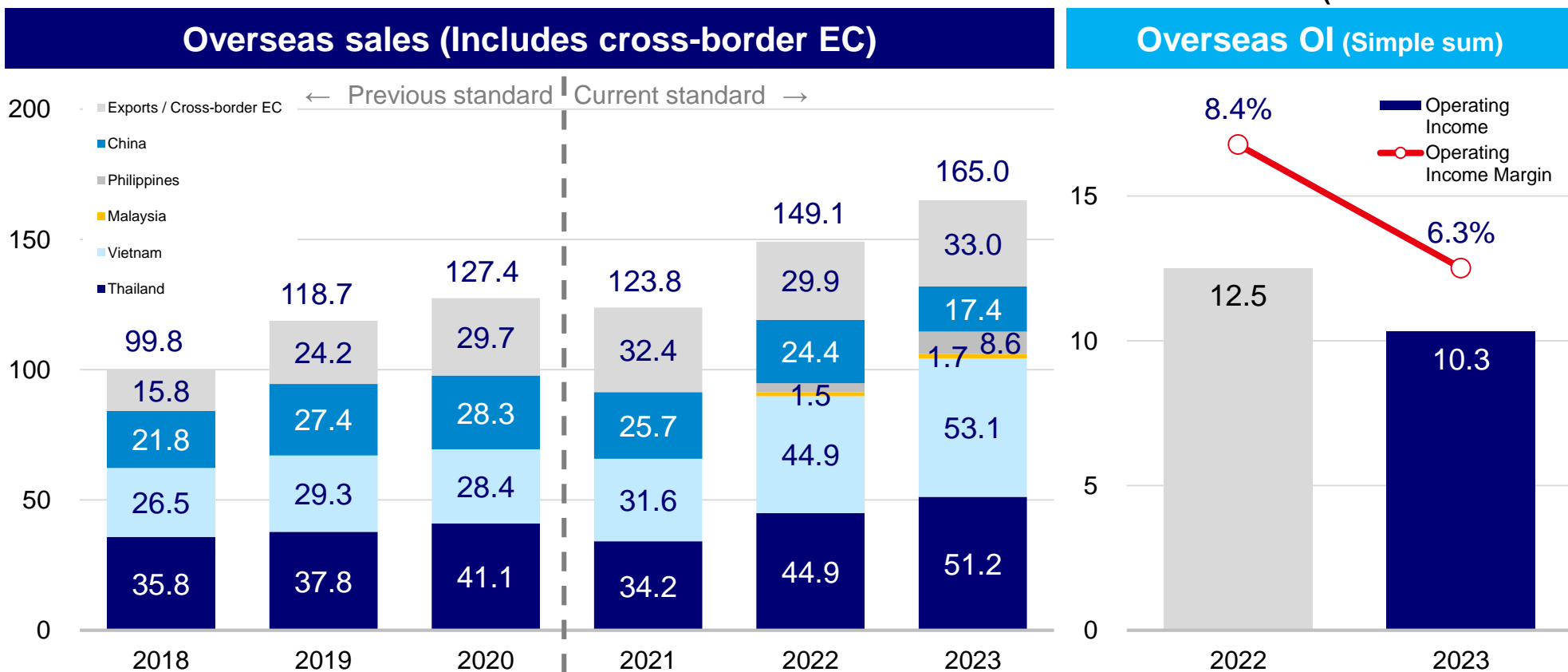
Higher energy costs translated into an increase in aerosol filling costs, etc.
Increase in purchase price of semi-finished products

Overseas Results



- Steady sales increase in Thailand and Vietnam, coupled with a strong exports performance to the Middle East and the United States.
- Expansion phase in the Philippines and Malaysia.
- Decrease in sales on account of changes in the external environment in China.

(Unit: 0.1 billion JPY)



Shareholder Returns

【Shareholder Returns Policy】

- Adopt an agile approach and, should our performance and retained earnings levels allow it, consider raising dividends and/or executing share buybacks.
- The dividend per share for 2024 is expected to remain unchanged from 2023 at 118 .

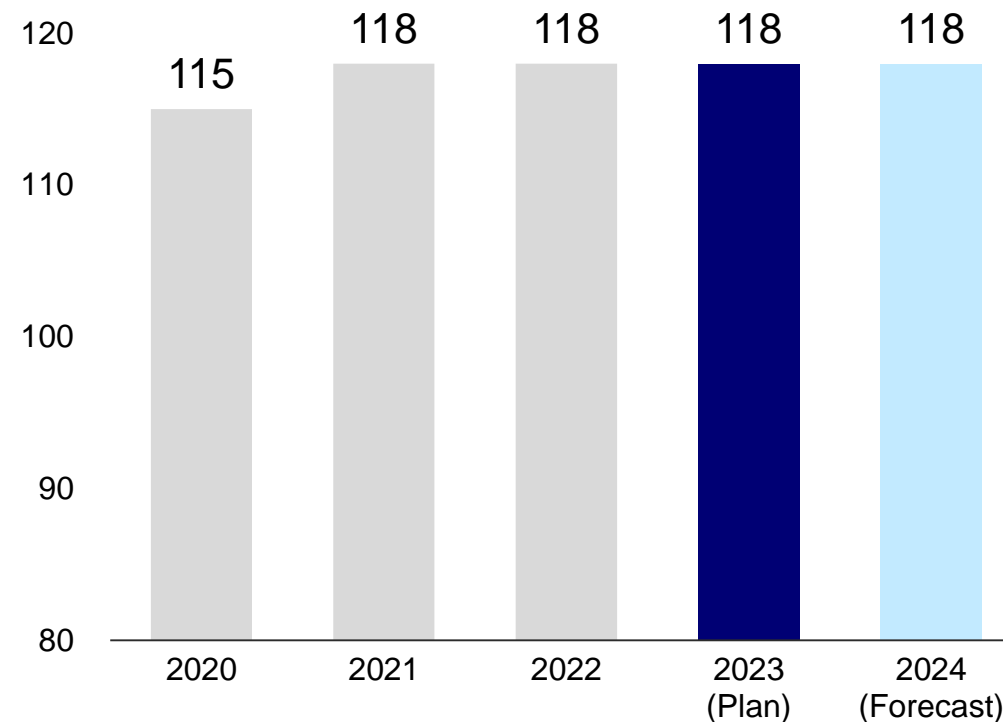
Dividend-related KPIs

DOE (Dividend on Equity Ratio)

2023
4.0% → **4% level**
2024 (Forecast)

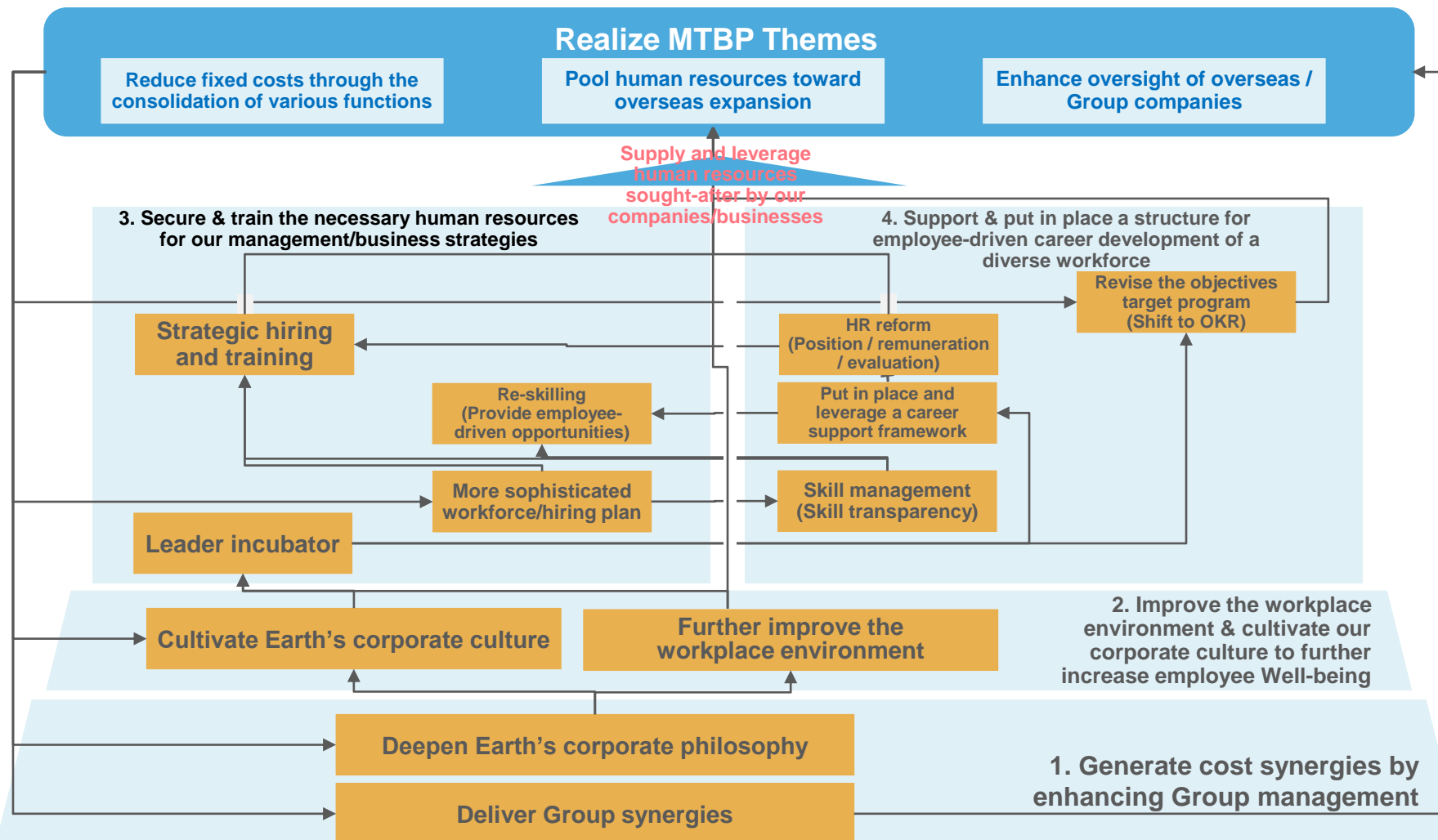
Ordinary Dividend Per Share - Trend

(Unit: JPY)



Value Creation Through Initiative Themes (Business Contribution)

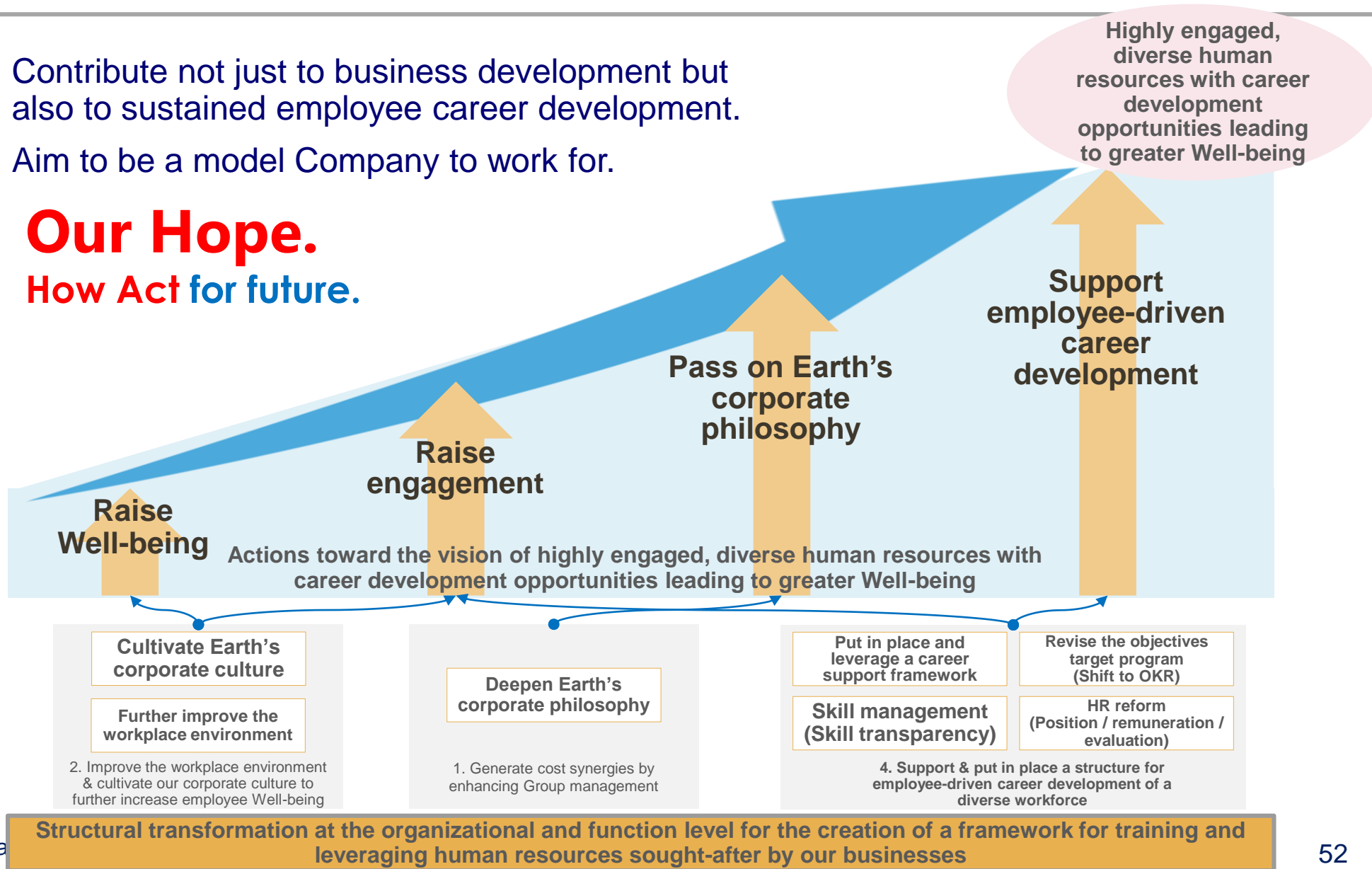
- Contribute to MTBP results through human resources materialities within initiative themes.



Training Human Resources Sought-after by the Earth Group

- Contribute not just to business development but also to sustained employee career development.
- Aim to be a model Company to work for.

Our Hope. How Act for future.





Earth Corporation

**Supplementary Materials;
FY12/2023 Results**

Consolidated: Statement of Income



(Unit : million JPY)

| | Q4 FY12/22 | Q4 FY12/23 | Q4 FY12/23 | YoY | vs.FCT | FY12/24 | |
|--|------------|------------|------------|---------|---------|-------------------|--------|
| | Realized | Forecast | Realized | | | Original forecast | YoY |
| Sales | 152,339 | 160,000 | 158,344 | 1.0pt | 1.0pt | 165,000 | 104.2% |
| Cost of sales | 89,870 | 93,500 | 94,719 | 1.1pt | 1.0pt | 99,168 | 104.7% |
| Gross profit | 62,468 | 66,500 | 63,624 | 1.0pt | 1.0pt | 65,831 | 103.5% |
| SG&A expenses | 55,034 | 58,500 | 57,254 | 1.0pt | 1.0pt | 62,831 | 109.7% |
| Operating profit | 7,434 | 8,000 | 6,370 | 0.9pt | 0.8pt | 3,000 | 47.1% |
| Non-operating income | 747 | 600 | 818 | 1.1pt | 1.4pt | 700 | 85.6% |
| Non-operating expenses | 47 | 300 | 396 | 8.3pt | 1.3pt | 140 | 35.3% |
| Ordinary profit | 8,133 | 8,300 | 6,791 | 0.8pt | 0.8pt | 3,560 | 52.4% |
| Extraordinary income | 60 | 0 | 12 | 0.2pt | | 0 | |
| Extraordinary losses | 136 | 80 | 240 | 1.8pt | 3.0pt | 60 | 24.9% |
| Net income before income taxes | 8,057 | 8,220 | 6,563 | 0.8pt | 0.8pt | 3,500 | 53.3% |
| Income taxes | 2,417 | 2,483 | 2,153 | 0.9pt | 0.9pt | 1,370 | 63.6% |
| Net income | 5,639 | 5,736 | 4,410 | 0.8pt | 0.8pt | 2,130 | 48.3% |
| Net income attributable to non-controlling interests | 336 | 336 | 307 | 0.9pt | 0.9pt | 340 | 110.5% |
| Net income attributable to owners of parent | 5,303 | 5,400 | 4,102 | 0.8pt | 0.8pt | 1,790 | 43.6% |
| Gross profit ratio | 41.0% | 41.6% | 40.2% | - 0.8pt | - 1.4pt | 39.9% | |
| Operating income ratio | 4.9% | 5.0% | 4.0% | - 0.9pt | - 1.0pt | 1.8% | |
| Net income before income taxes ratio | 5.3% | 5.1% | 4.1% | - 1.1pt | - 1.0pt | 2.1% | |

Consolidated: Sales by Segment



(Unit : million JPY)

| | Q4 FY12/22 | Q4 FY12/23 | Q4 FY12/23 | | | FY12/24 | |
|--|------------|------------|------------|--------|--------|-------------------|--------|
| | Realized | Forecast | Realized | YoY | vs.FCT | Original forecast | YoY |
| Insecticides & Repellents | 59,368 | 61,713 | 62,031 | 104.5% | 100.5% | 65,175 | 105.1% |
| Oral hygiene products | 8,191 | 8,442 | 8,364 | 102.1% | 99.1% | 8,916 | 106.6% |
| Bath salts | 26,946 | 28,518 | 26,041 | 96.6% | 91.3% | 26,375 | 101.3% |
| Other household products | 33,137 | 34,016 | 32,793 | 99.0% | 96.4% | 34,319 | 104.7% |
| Household products | 68,275 | 70,977 | 67,199 | 98.4% | 94.7% | 69,611 | 103.6% |
| Pet products & others | 8,843 | 9,465 | 9,776 | 110.6% | 103.3% | 10,292 | 105.3% |
| Household products business subtotal | 136,486 | 142,156 | 139,007 | 101.8% | 97.8% | 145,079 | 104.4% |
| General environment & sanitation business subtotal | 27,973 | 28,500 | 29,073 | 103.9% | 102.0% | 30,000 | 103.2% |
| Total sales include internal sales | 164,460 | 170,656 | 168,081 | 102.2% | 98.5% | 175,079 | 104.2% |
| (Adjustments) | - 12,121 | - 10,656 | - 9,736 | | | - 10,079 | |
| Total sales | 152,339 | 160,000 | 158,344 | 103.9% | 99.0% | 165,000 | 104.2% |

(Composition ratio)

| | | | | | | |
|---|-------|-------|-------|---------|---------|-------|
| Insecticides & Repellents | 36.1% | 36.2% | 36.9% | 0.8pt | 0.7pt | 37.2% |
| Household products | 41.5% | 41.6% | 40.0% | - 1.5pt | - 1.6pt | 39.8% |
| Pet products & others | 5.4% | 5.5% | 5.8% | 0.4pt | 0.3pt | 5.9% |
| Household products business | 83.0% | 83.3% | 82.7% | - 0.3pt | - 0.6pt | 82.9% |
| General environment & sanitation business | 17.0% | 16.7% | 17.3% | 0.3pt | 0.6pt | 17.1% |

Operating Income Change Factors (YoY)



(Unit : million JPY)

| <u>7,434</u> | 2022 (Realized) | <Breakdown> | |
|--------------|--|---|--------|
| -1,064 | Increase in gross profit +1,156 | • Effect of revenue increase (excluding the effect of price pass-through) | +974 |
| | | • Price shifting effect | +2,164 |
| | | • Sales contribution of BARTH business | +630 |
| | | • Model mix | +639 |
| | | • Impact of raw material prices and exchange rate fluctuations | -3,250 |
| | | • Increase in personnel expenses | -922 |
| | | • Increase in distribution expenses | -492 |
| | | • Decrease in advertising expenses | +74 |
| | | • Increase in sales promotion expenses(other than sales deductions) | -16 |
| | | • Costs of travel & transportation expenses, other activities | -348 |
| | • Amortization of goodwill | +310 | |
| | • Others(Commission paid, Depreciation paid, etc.) | -826 | |
| <u>6,370</u> | 2023 (Realized) | | |

+: Factors contributing to higher earnings,
-: Factors contributing to lower earnings

Operating Income Change Factors (vs. Forecast)



(Unit : million JPY)

| 8,000 | 2022 (Realized) | <Breakdown> | | |
|-------|---|--|--------|--|
| | Gross profit below the forecast -2,875 | • Sales plan achieved (excluding the impact of price pass-through) | -451 | |
| | | • Price shift effect | -436 | |
| | | • Sales contribution of BARTH business | +88 | |
| | | • Model mix | -1,327 | |
| | | • Impact of raw material prices and exchange rate fluctuations | -750 | |
| | | • Personnel expenses below the forecast | +188 | |
| | | • Distribution expenses below the forecast | +55 | |
| | | • Unspent advertising expenses | +133 | |
| | | • Unspent R&D expenses | +520 | |
| | | • Costs of travel & transportation expenses, other activities | -199 | |
| | | • Amortization of goodwill | +88 | |
| | | • Others | +461 | |
| | | SG&A expenses within budget +1,246 | | |
| | 6,370 | 2023 (Realized) | | |

+ : Factors contributing to higher earnings,
- : Factors contributing to lower earnings

Consolidated: SG&A Expenses



(Unit : million JPY)

| | FY12/22 | FY12/23 | FY12/23 | YoY | vs.FCT | FY12/24 | |
|--------------------------------|---------------|---------------|---------------|--------------|--------------|-------------------|---------------|
| | Realized | Forecast | Realized | | | Original forecast | YoY |
| Personal expenses | 20,685 | 21,795 | 21,607 | 1.0pt | 1.0pt | 23,215 | 107.4% |
| Shipping expenses | 4,502 | 4,821 | 4,594 | 1.0pt | 1.0pt | 5,049 | 109.9% |
| Strage expenses | 2,565 | 2,793 | 2,965 | 1.2pt | 1.1pt | 2,859 | 96.4% |
| Advertising expenses | 7,393 | 7,452 | 7,319 | 1.0pt | 1.0pt | 8,493 | 116.0% |
| Sales promotion expenses | 1,029 | 1,071 | 1,045 | 1.0pt | 1.0pt | 1,062 | 101.6% |
| R&D expenses | 3,217 | 3,821 | 3,301 | 1.0pt | 0.9pt | 3,803 | 115.2% |
| Depreciation expenses | 1,475 | 1,653 | 1,728 | 1.2pt | 1.0pt | 2,024 | 117.1% |
| Goodwill amortization | 429 | 207 | 119 | 0.3pt | 0.6pt | 146 | 122.7% |
| Travel&transportation expenses | 1,317 | 1,456 | 1,521 | 1.2pt | 1.0pt | 1,690 | 111.1% |
| Entertainment expenses | 522 | 532 | 666 | 1.3pt | 1.3pt | 664 | 99.7% |
| Comission paid | 1,323 | 1,653 | 1,493 | 1.1pt | 0.9pt | 1,558 | 104.4% |
| Sales comission | 1,410 | 1,405 | 1,246 | 0.9pt | 0.9pt | 1,309 | 105.1% |
| Miscellaneous expenses | 802 | 1,549 | 802 | 1.0pt | 0.5pt | 1,915 | 238.8% |
| Others | 8,365 | 8,292 | 8,848 | 1.1pt | 1.1pt | 9,044 | 102.2% |
| Total | 55,034 | 58,500 | 57,254 | 1.0pt | 1.0pt | 62,831 | 109.7% |
| (Composition ratio) | | | | | | | |
| Personal expenses ratio | 13.6% | 13.6% | 13.6% | 0.1pt | 0.0pt | 14.1% | |
| Advertising expenses ratio | 4.9% | 4.7% | 4.6% | - 0.2pt | - 0.0pt | 5.1% | |
| R&D expenses ratio | 2.1% | 2.4% | 2.1% | - 0.0pt | - 0.3pt | 2.3% | |

Consolidated: Balance Sheet



(Unit : million JPY)

| | | End of FY2022 | End of FY2023 | Final comparison +/- |
|----------------------------|--|------------------|------------------|-------------------------|
| Current assets | Cash & deposits | 14,772 | 17,505 | 2,732 |
| | Trade receivable | 24,163 | 25,639 | 1,476 |
| | Inventories | 32,253 | 28,266 | - 3,986 |
| | Others | 2,772 | 2,758 | - 14 |
| Non-current assets | Property, plant & equipment | 29,483 | 31,383 | 1,899 |
| | Intangible assets | 5,355 | 8,774 | 3,418 |
| | Investments & other assets | 15,688 | 18,079 | 2,391 |
| Total assets | | 124,489 | 132,407 | 7,917 |
| Current liabilities | Trade payables | 35,525 | 30,005 | - 5,520 |
| | Short-term borrowings | 2,200 | 10,000 | 7,800 |
| | Others | 15,615 | 17,488 | 1,872 |
| Non-current liabilities | Long-term borrowings | 0 | 0 | 0 |
| | Others | 3,129 | 2,912 | - 216 |
| Total liabilities | | 56,470 | 60,406 | 3,935 |
| Net assets | Total shareholders' equity | 59,631 | 61,415 | 1,784 |
| | Total accumulated other comprehensive income | 3,163 | 5,130 | 1,967 |
| | Non-controlling interests | 5,224 | 5,453 | 229 |
| Total net assets | | 68,018 | 72,000 | 3,982 |

Consolidated: statement of Cash flows



(Unit : million JPY)

| | End of Q4 FY2022 | End of Q4 FY2023 | YoY |
|--|---------------------|---------------------|---------|
| Cash flows from operating activities | 3,901 | 7,524 | 3,622 |
| Cash flows from investing activities | - 6,266 | - 10,135 | - 3,869 |
| Cash flows from financing activities | - 4,464 | 4,893 | 9,358 |
| Effect of exchange rate change on cash and cash equivalents | 447 | 450 | 2 |
| Net increase(decrease) in cash and cash equivalents | - 6,381 | 2,732 | 9,113 |
| Cash and cash equivalents at beginning of period | 21,027 | 14,772 | - 6,254 |
| Increase in cash and cash equivalents from newly consolidated subsidiaries | 126 | - | - 126 |
| Cash and cash equivalents at end of period | 14,772 | 17,505 | 2,732 |

Consolidated: Capital expenditure, Depreciation expenses

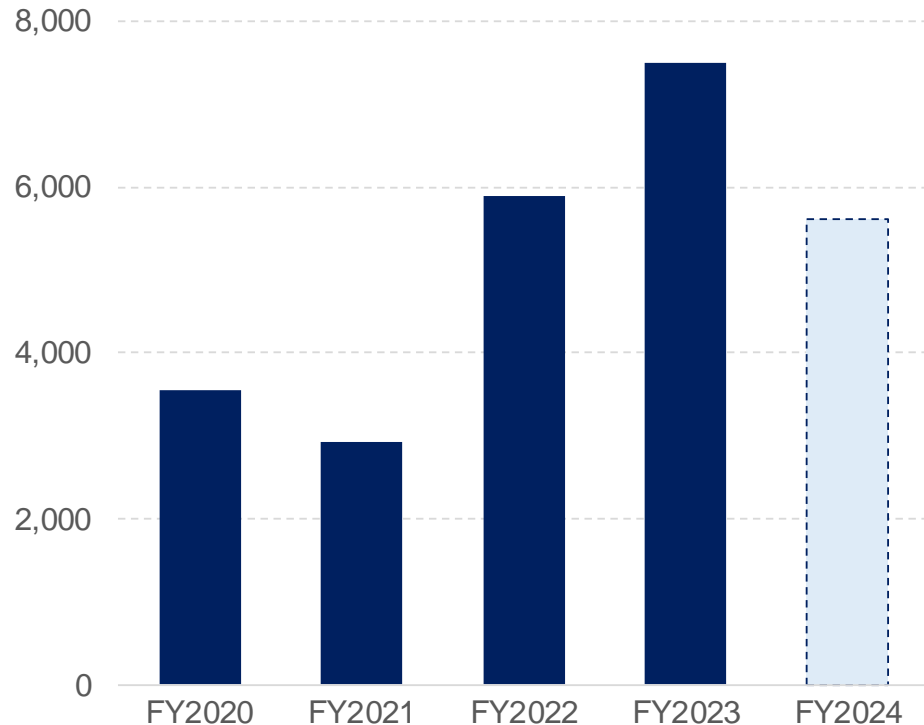


(Unit : million JPY)

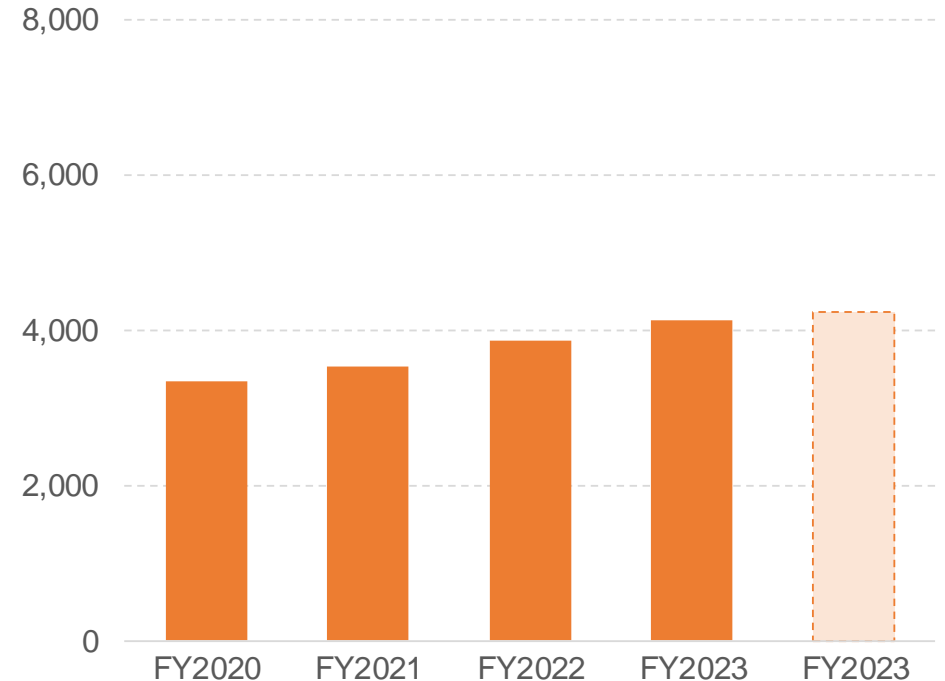
| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-------|----------|----------|----------|----------|----------|
| | Realized | Realized | Realized | Realized | Forecast |
| CAPEX | 3,548 | 2,928 | 5,878 | 7,504 | 5,600 |

| | FY2020 | FY2021 | FY2022 | FY2023 | FY2023 |
|-----------------------|----------|----------|----------|----------|----------|
| | Realized | Realized | Realized | Realized | Forecast |
| Depreciation expenses | 3,334 | 3,537 | 3,853 | 4,118 | 4,234 |

CAPEX



Depreciation expenses



Overview of Group Companies' Business Performance



(Unit : million JPY)

| Earth Corporation | | | | BATHCLIN Corporation | | | Hakugen Earth Co., Ltd. | | | Earth Pet Co., Ltd. | | |
|-------------------|----------|----------|----------|----------------------|----------|----------|-------------------------|----------|----------|---------------------|----------|----------|
| | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 |
| | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized |
| Sales | 76,594 | 82,507 | 80,622 | 15,754 | 16,600 | 15,400 | 18,923 | 19,942 | 17,679 | 6,502 | 6,674 | 6,966 |
| Gross profit | 31,002 | 33,977 | 32,086 | 6,353 | 6,548 | 5,652 | 5,947 | 6,148 | 5,793 | 2,354 | 2,408 | 2,387 |
| Operatig income | 3,840 | 4,458 | 3,425 | 974 | 1,050 | 307 | 723 | 500 | 534 | 140 | 10 | 34 |

| Earth(Thailand)Co.,Ltd. | | | | Earth Corporation Vietnam | | | EARTH HOME PRODUCTS (MALAYSIA) | | | EARTH HOMECARE PRODUCTS (PHILIPPINES) | | |
|-------------------------|----------|----------|----------|---------------------------|----------|----------|--------------------------------|----------|----------|---------------------------------------|----------|----------|
| | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 |
| | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized |
| Sales | 5,894 | 5,858 | 6,494 | 4,771 | 5,297 | 5,666 | 151 | 317 | 170 | 347 | 875 | 859 |
| Gross profit | 1,735 | 1,741 | 1,988 | 1,780 | 2,035 | 2,335 | 18 | 83 | 17 | 134 | 370 | 417 |
| Operatig income | 512 | 396 | 539 | 340 | 434 | 490 | -149 | -134 | -165 | -44 | 13 | 17 |

| Earth Corporation (Shanghai) | | | | Earth Corporation (Tianjin) | | | Earth Corporation (Suzhou) | | | Earth Environmental Service Co.,Ltd. | | |
|------------------------------|----------|----------|----------|-----------------------------|----------|----------|----------------------------|----------|----------|--------------------------------------|----------|----------|
| | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 | FY22.Q4 | FY23.Q4 | FY23.Q4 |
| | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized |
| Sales | 2,305 | 2,677 | 1,551 | 3,567 | 3,029 | 2,559 | 1,675 | 1,260 | 1,035 | 27,973 | 28,500 | 29,073 |
| Gross profit | 634 | 671 | 310 | 579 | 402 | 421 | 335 | 203 | 144 | 11,675 | 11,720 | 11,781 |
| Operatig income | -5 | 6 | -378 | 205 | 23 | 44 | 136 | 17 | -15 | 1,430 | 1,450 | 1,451 |



EARTH

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This presentation contains forward-looking statements and financial results forecasts. These forward-looking statements and financial results forecasts were formulated on the basis of company assumptions based on the information available.

These statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those described.