



Earnings briefing materials for 1Q of the fiscal year ended December 2022

11/05/2022

The background of the slide is a dark, starry space. In the lower half, the blue and white horizon of the Earth is visible, with a bright sun rising behind it, creating a lens flare effect. The text "Earth Corporation" is centered at the bottom of the slide.

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Summary of FY12/2022.1Q



- **Effect of adoption of accounting standard for revenue recognition**
 - ▶ Quarterly operating income changed from the previous standard due to the implementation of accrual of sales promotion expenses
 - ▶ Minor impact on year-to-date operating income
- **Financial Highlights of FY12/2022.1Q**
 - ▶ Sales : 38.6 billion yen; no major concerns about annual plan
 - ▶ Op : 5.3 billion yen, gross profit was lower than planned, but largely in line with the plan due to the execution of SG&A expenses within the budget
 - ▶ Negative impact of raw material prices and exchange rates on the annual plan is under scrutiny
- **Topic / Others**
 - ▶ Insecticides & repellents and bath salts both enjoyed strong market growth as of the end of April
 - ▶ Steady shipments of new products launched this fiscal year
 - ▶ Set ESG materiality and non-financial KPIs



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Effect of adoption of accounting standard for revenue recognition

Estimated annual impact

- Items like trades through intermediaries, sales promotion expenses, etc. are deducted from sales, impacting the P/L side, namely sales, gross profit and SG&A expenses; Impact on operating income and items below is minor
- Impact to the balance sheet is minor

(Unit: 0.1 billion JPY)

	FY2021 (Realized) (Previous standard)	FY2022 (Forecast) (Previous standard)	Purchase & sale	Sales promo. exp. (deducted from sales)	FY2022 (Forecast) (New standard)
Sales	2,037	2,110	- 378	- 182	1,550
Gross Profit	1,214.5	1,259.5	378		881.5
SG&A Expenses	716.6	743.0		182	561.0
Operating Income	106.6	107.5			107.5

Timing of recording sales promotion expenses (sales deductions)

- System is being built to more timely identify the actual status of revenue and to improve the efficiency of sales promotion expenses
- Reasonably estimate variable promotional expenses from the promotional expense plan tied to the sales plan and deduct them from revenue
This will allow us to implement efficient marketing initiatives with enhanced revenue management (by division and by client)

Construction and operation of sales promotion cost management system (From 2019)

- **Managed on two axes by company and by product**
- **Clarify "to what (where)," "how much," and "how," to enable appropriate effectiveness verification.**

In addition to the system, management accuracy is increased based on past results.

- Appropriate promotional expense management clarifies the use and duration of promotional expenses.
- Estimates sales promotion costs for each transaction with high accuracy by comparing sales forecasts and sales promotion conditions with past actual results, and deducts sales at the time sales are recorded.

Restructuring of profit management system (from 2021)

- and resource allocation Visualization by business unit and product category on two axes
- Understand the earnings situation in a more timely and precise manner and take appropriate measures under any circumstances.
- Foundation for business portfolio reorganization

**More timely grasp of the
actual status of earnings
More Timely and Reliable**

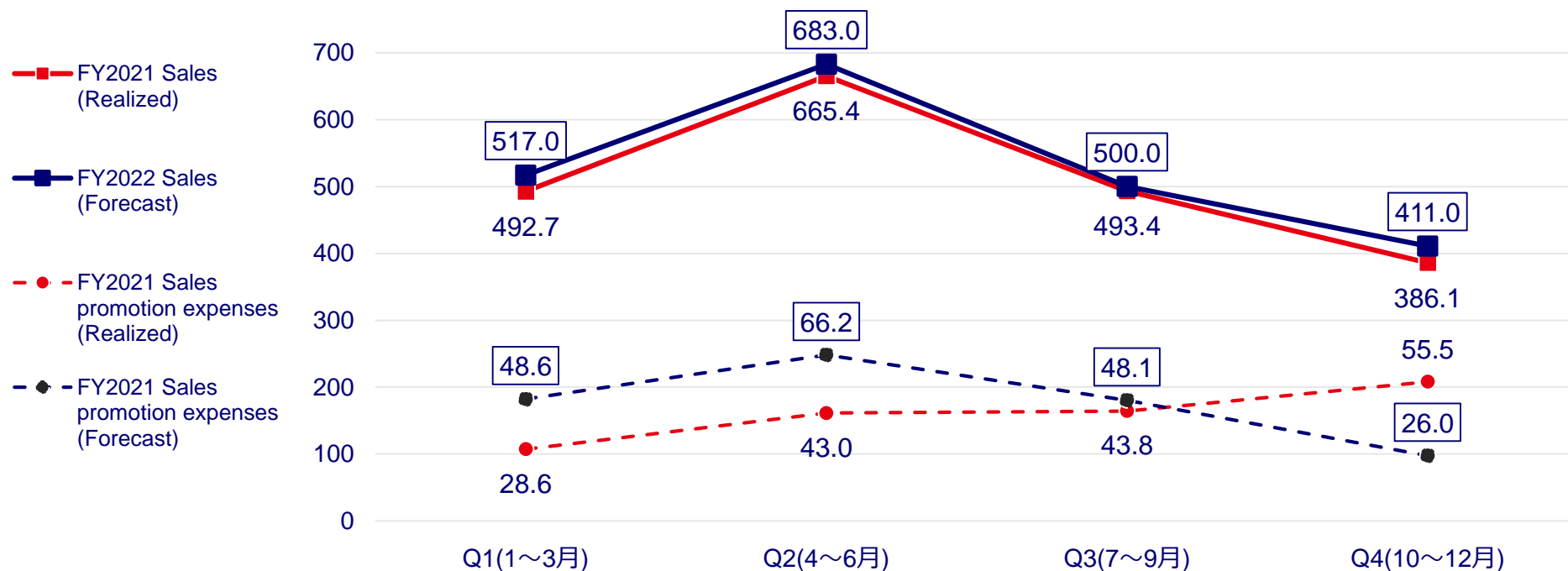
Quarterly Sales Promotion Plan



Cf. Previous standard*

(Unit: 0.1 billion JPY)

- Assume that from this fiscal year, sales promotion expenses will generally follow a curve in proportion to net sales
 - Expenses are linked to highly seasonal sales trends, and profits are more even than before.



	Q1	Q2	Q3	Q4
Promotional Expenses_Difference by Quarter FY21 (Realized) vs. FY22 (Forecast)	+20.0	+23.2	+4.3	▲29.5

Operating Income Forecast (Quarterly/Cumulative total)

- Although visually, operating income in Q1-Q3 is expected to decline YoY, the impact on the year-to-date total is expected to be negligible





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Financial Highlights of FY12/2022.1Q

FY12/2022.1Q Results Highlights



- Sales and gross profit were slightly below plan, but SG&A expenses were within budget, and operating income was generally in line with plan
- Impact of raw material price hikes expected to become apparent in 2Q and beyond

After application of the "Accounting Standard for Revenue Recognition"

(Unit: 0.1 billion JPY)

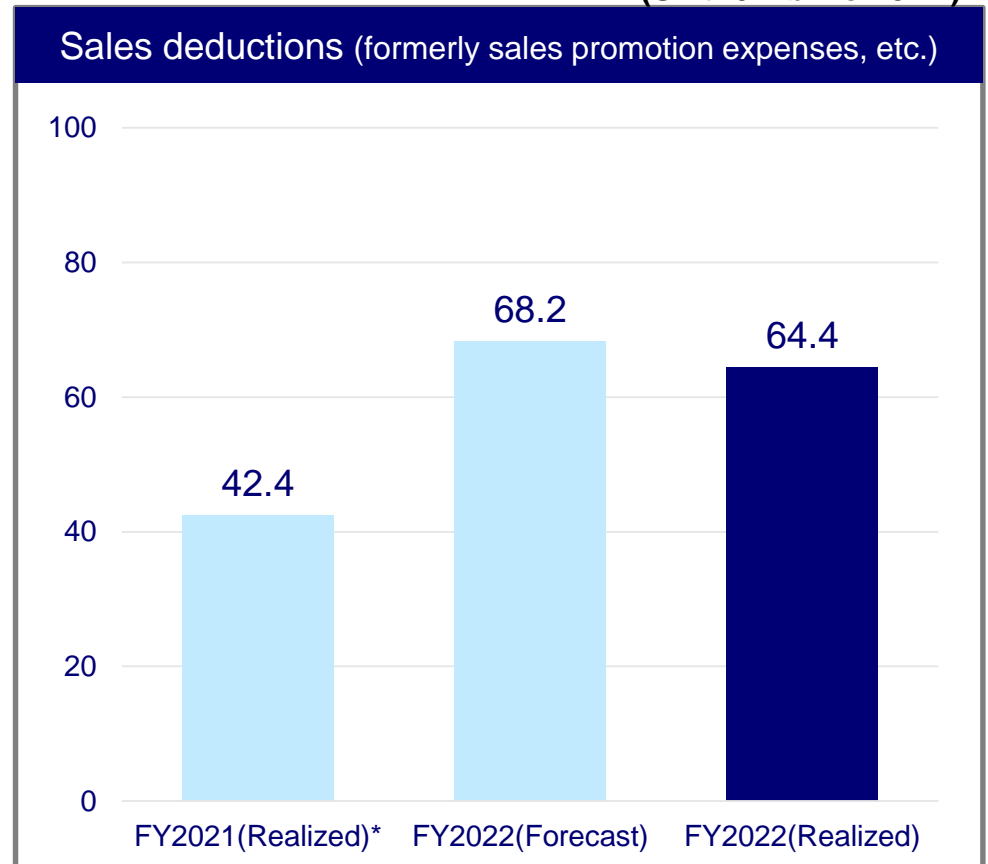
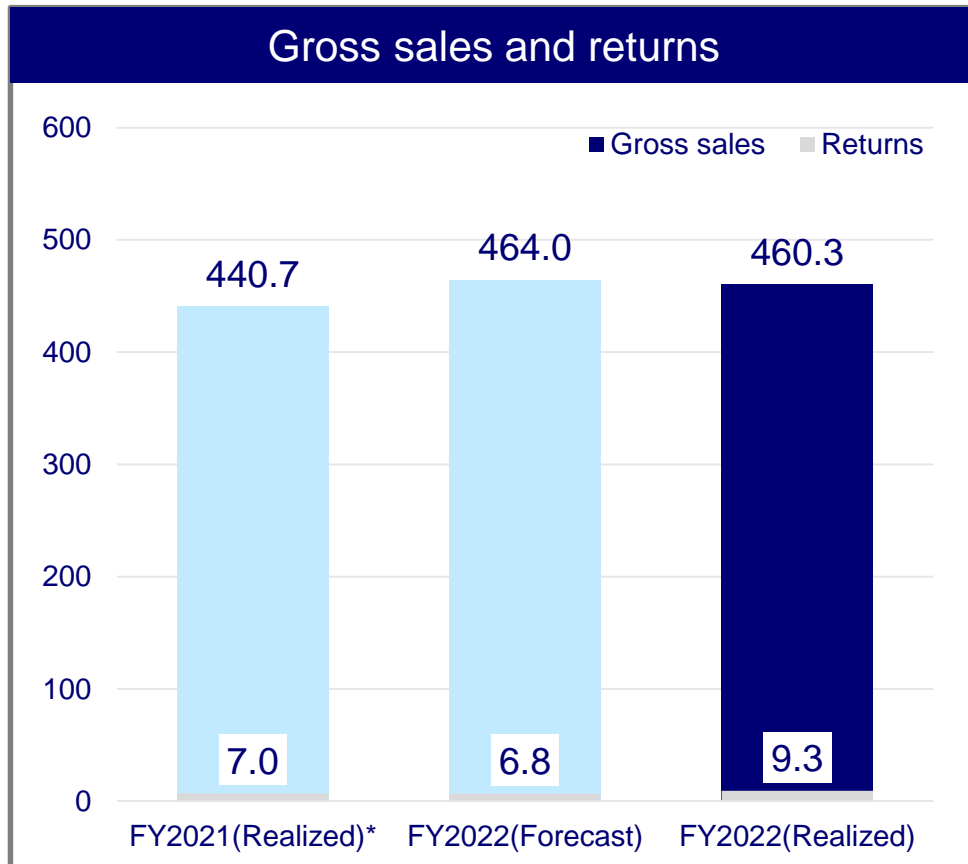
	FY2021.2Q (Realized)	VS.FCT	YoY*	Points
Sales	386.0	99.2%	104.2%	<ul style="list-style-type: none"> Steady growth of 104% in real terms over the previous quarter Insect care products and bath salts slightly underachieved, but generally on track
Gross Profit	173.6	97.0%	101.7%	<ul style="list-style-type: none"> In addition to sales underachievement, the company is affected by foreign exchange rate fluctuations. Impact of raw material price hikes will gradually become apparent from 2Q onward
SG&A Expenses	120.4	94.8%	106.5%	<ul style="list-style-type: none"> Although there are some discrepancies in the recording period, execution is sure to be within the budget.
Operating Income	53.2	102.4%	92.2%	<ul style="list-style-type: none"> 1Q Plan achieved
Net income before income taxes	56.1	109.5%	94.8%	<ul style="list-style-type: none"> There are some positive factors, such as foreign exchange gains, that were not assumed when the plan was formulated.

Gross sales, returns and sales deductions



- Real gross sales compared on the same basis exceeded the previous year and slightly missed the plan
- Returns exceeded both the prior year and the plan, but will not affect the majority at this time
- Sales deductions are within the scope of the plan

(Unit: 0.1 billion JPY)



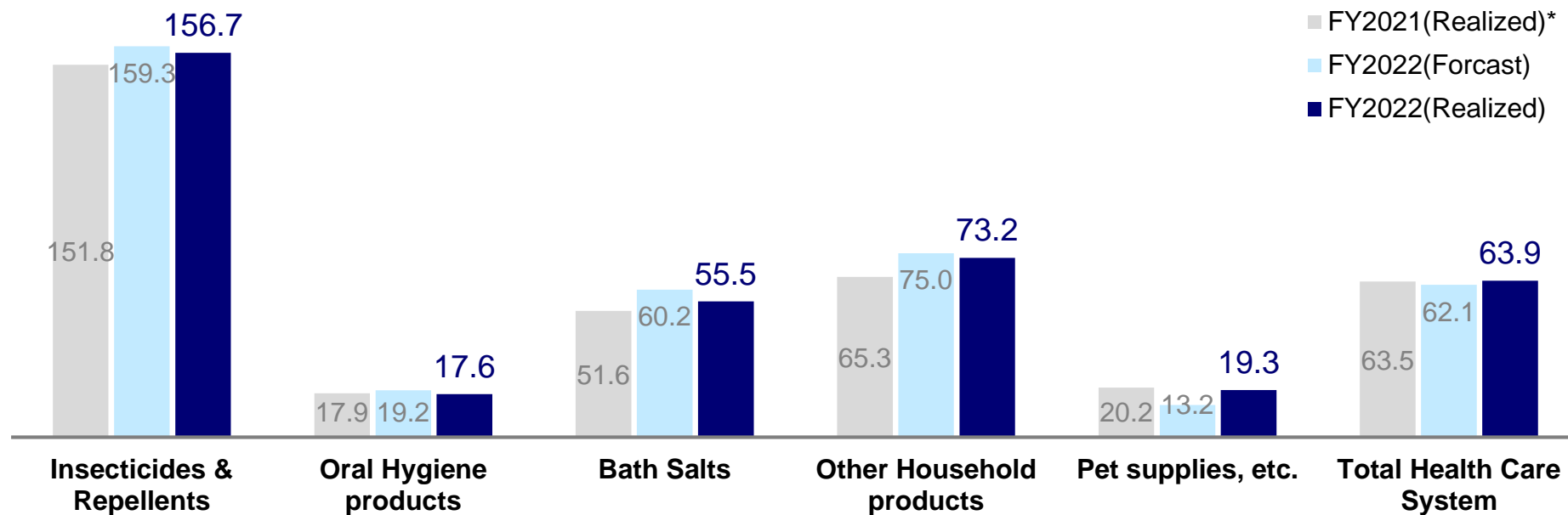
Sales by Segment



*To outside customers (excludes internal eliminations)

(Unit: 0.1 billion JPY)

- Initial response to insecticides & repellents was a little sluggish, but within expectations
- Bath salts are performing well, but the plan was set higher and has not been achieved



YoY diff.*	+4.8	▲0.3	+3.8	+7.8	▲0.9	+0.4
Diff. vs. forecast	▲2.6	▲1.5	▲4.7	▲1.7	+6.0	+1.7

Impact on cost of sales

- Although the impact of raw material price hikes and foreign exchange rates is expected to be slightly more severe than originally planned due to the sharp depreciation of the yen and the situation in Ukraine, additional measures will reduce cost burdens
- Impact of China lockdown on material procurement, logistics, and other business performance is currently considered minor

Impact of raw material price hikes

- Price increases in major raw materials used in mouthwash and bath salts (e.g., palm-derived) due to increased global demand, etc.
- Soaring prices of crude oil and naphtha also pushed up prices of solvents, resins, paper, etc.



【Measure】

- Purchasing from multiple suppliers (quality assurance, stable procurement)
- Utilization of alternatives due to formulation changes
- Implement additional cost reduction measures (e.g., packaging simplification)

Impact of Foreign Exchange Rates

currency	Budget Rate		Rate at the end of March	Budget Ratio
RMB	17.15	➔	19.26	+ 12.3%
USD	111.00	➔	122.39	+ 10.3%
THB	3.38	➔	3.68	+ 8.9%
VND	0.00505	➔	0.00533	+ 5.5%

- Due to the size of the transaction, the most affected by RMB exchange rate fluctuations
- If the current rate remains unchanged for the year, there is a possibility of a 200-300 million yen cost increase compared to the plan.

FY12/2022.1Q SG&A Forecast Details



(Unit: 0.1 billion JPY)

- As of 1Q FY2022, all expenses were properly executed within budgeted amounts
- Most of the items that have not been achieved are due to the discrepancy between the assumptions made at the time of budget planning and the timing of actual appropriations

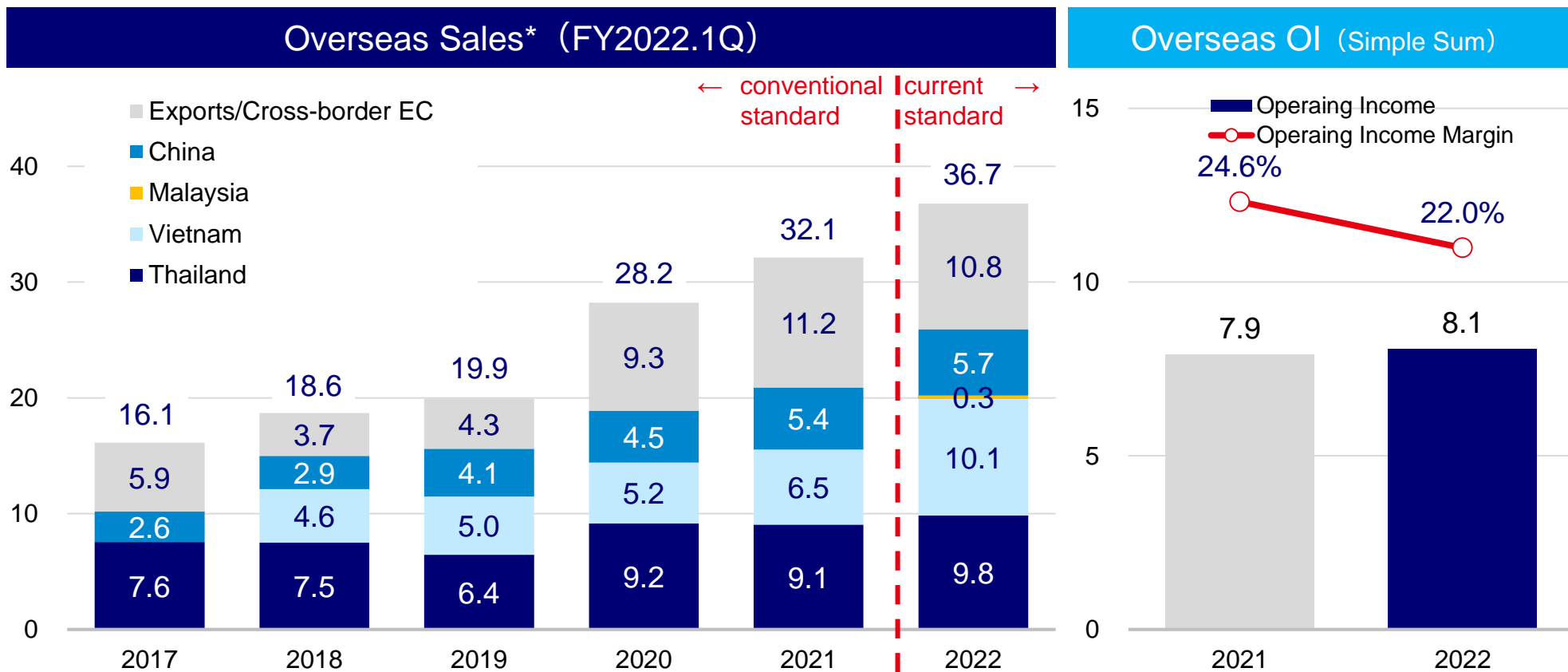
	1Q FY2021/12 Realized*	1Q FY2022/12 Forecast	1Q FY2022/12 Realized	vs.Forecast	Difference points from plan
Personnel expenses	47.2	50.8	49.8	▲ 0.9	
Shipping costs	8.7	9.4	9.5	0.1	
Storage costs	5.3	6.0	5.9	0.0	
Advertising expenses	6.7	9.8	6.9	▲ 2.9	Difference in timing of recording
Sales promotion expenses	4.4	2.3	2.8	0.5	
R&D expenses	6.5	7.4	6.6	▲ 0.8	Discrepancies in timing of implementation from assumptions made at the time of budget planning
Depreciation expenses	3.0	3.4	3.4	0.0	
Goodwill amortization	4.7	4.3	4.2	0.0	
Travel&transportation expenses	2.1	3.2	2.5	▲ 0.7	Budgeting based on elimination of action restrictions due to CODIV-19
Entertainment expensen	0.5	0.7	0.8	0.1	
Commision paid	3.5	3.2	2.9	▲ 0.2	
Sales commisions	0.8	3.5	3.6	0.1	
Miscellaneous expenses	1.0	1.5	1.1	▲ 0.3	
Others	18.6	21.5	20.4	▲ 1.5	Discrepancies in timing of implementation from assumptions made at the time of budget planning
Total	113.0	127.0	120.4	▲ 6.5	

Overseas Results (Including Cross-Border EC)



(Unit: 0.1 billion JPY)

- Actual Sales YOY : 116%, Good performance mainly in Thailand and Vietnam
- Slightly lower profit margin due to lower export sales from Japan than the previous ye
- Continue to monitor the impact of the lockdown in China from 2Q onward



Overseas Business Performance (Country Situation)



China

【Results】

- Sales : Actual* YoY change 96%
- YoY decline was expected and largely in line with the plan as of 1Q

【CODIV-19 related】

- Uncertainty in 2Q and beyond due to lockdown

Thailand

【Results】

- Sales : Actual* YoY change 111%
- Good development in Thailand against a backdrop of economic recovery priorities
- Success of detailed business through depot installation

Vietnam

【Results】

- Sales : Actual* YoY change 134%
- Insecticides & repellents and detergents both performed well, exceeding the plan
- Good performance is expected to continue, partly due to the priority given to economic recovery

Malaysia

【Results】

- Newly consolidated from 1Q FY2022
- Sales exceeded plan
- Expand sales by launching 7 SKUs of new products including insect care aerosols, insect repellents, and deodorizing air fresheners



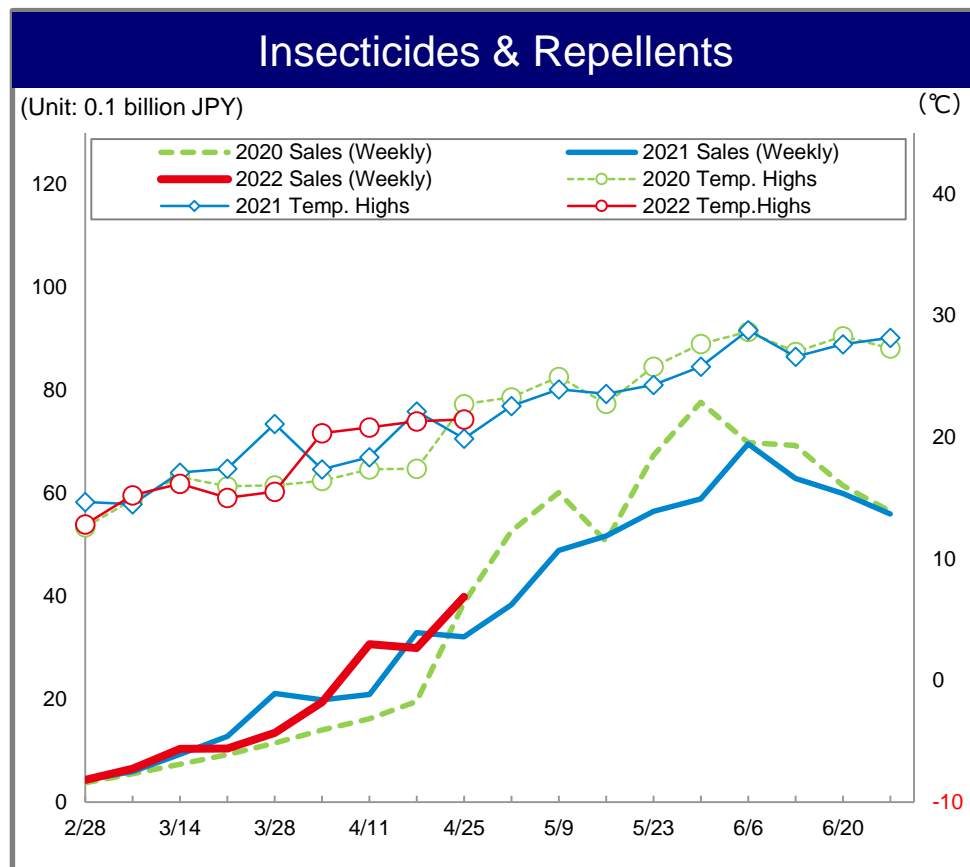
Earth Corporation

Recent Topics, Investment Policy and Shareholder Returns

Topic : Overview of Domestic Market for Insecticides & Repellents (As of the end of April)



- Market YoY change : 102.0%
- Our market share steadily increased to 57.5% (+0.7 pt YoY)
- Strong sales of products for ticks and pests are increasing their share in the market



	Market	Earth Group Share			Market composition ratio		
	Y on Y	21.1Q	22.1Q	±	21.1Q	22.1Q	±
For Flies & Mosquitoes	101.3%	59.9%	61.1%	+1.2pt	18.5%	18.3%	▲0.2pt
For Cockroaches	87.7%	58.6%	59.6%	+1.0pt	19.1%	16.5%	▲2.6pt
For ticks & other unpleasant insect pests	106.7%	54.4%	56.1%	+1.7pt	24.8%	25.9%	+1.1pt
insect repellent	112.3%	49.4%	50.6%	+1.2pt	25.9%	28.5%	+2.6pt
For Rats	92.2%	64.0%	62.4%	▲1.6pt	6.2%	5.6%	▲0.6pt
Fumigants, etc.	96.4%	75.2%	75.9%	+0.7pt	5.5%	5.1%	▲0.4pt
Total	102.0%	56.8%	57.5%	+0.7pt	100.0%	100.0%	—

Topic : Overview of Domestic Market for Bath Salts

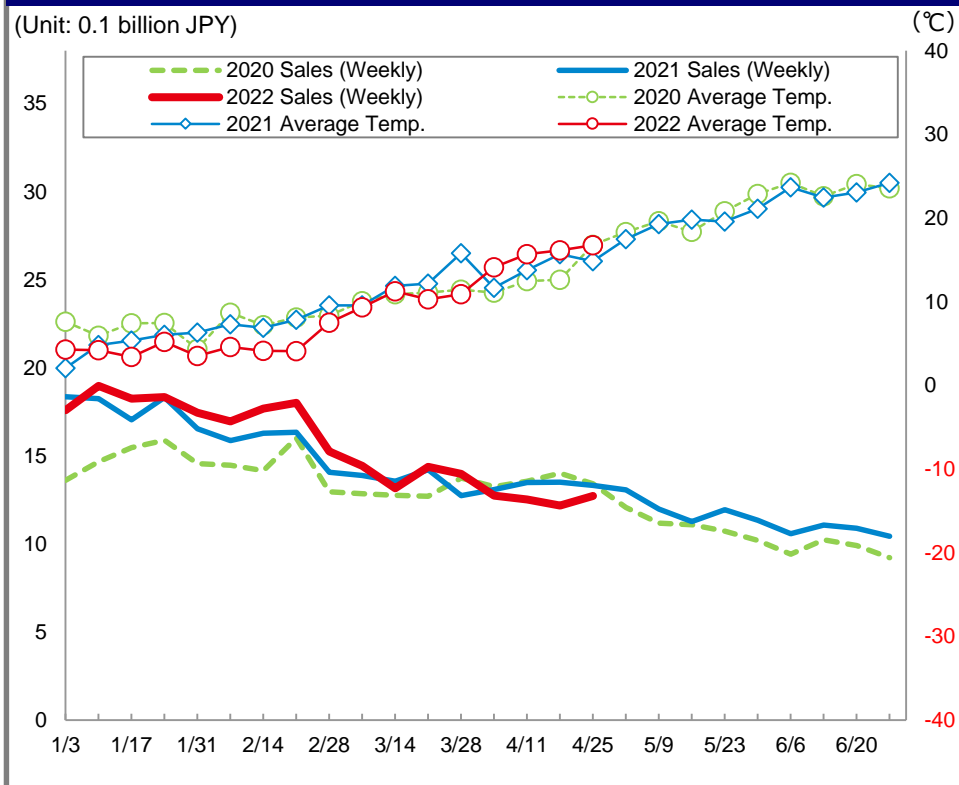
(As of the end of April)



- Market YoY change : 102.4%
- Our market share is 46.2% (-1.0 pt YoY)
- Sales of divided packaged and individually packaged types were good

Bath Salts

(Unit: 0.1 billion JPY)



	Market Y on Y	Earth Group Share			Market composition ratio		
		21.1Q	22.1Q	±	21.1Q	22.1Q	±
Powder type	100.9%	83.6%	82.7%	▲0.9pt	17.3%	16.8%	▲0.5pt
Granule type	104.7%	68.7%	66.5%	▲2.2pt	13.8%	14.0%	+0.2pt
divided packaged	107.5%	63.4%	67.3%	+3.9pt	8.4%	8.7%	+0.3pt
Liquid type	101.3%	34.0%	33.8%	▲0.2pt	10.1%	10.1%	+0.0pt
Tablet type	95.3%	33.9%	34.3%	+0.4pt	37.9%	35.4%	▲2.5pt
individual packaged types	122.5%	13.0%	10.3%	▲2.7pt	12.0%	14.5%	+2.5pt
Total	102.4%	47.2%	46.2%	▲1.0pt	100.0%	100.0%	—

Topic : New Product Trends (As of the end of April)



- New products launched in spring, including MAMOROOM, Zerodenite, and Puriture, contributed to substantial revenue growth
- Favorable conditions, far exceeding plans

MAMOROOM



vs. Forecast

231%

Ref.) over-the-counter price

1,600円

Zerodenite



vs. Forecast

315%

Ref.) over-the-counter price

3,000円

Puriture



vs. Forecast

93%






Ref.) over-the-counter price

1,600円

Topic : Sustainability

Establish materiality and non-financial KPIs

■ Set non-financial KPIs tied to materiality

Materiality	2030 Target	KPI	SDGs
Responding to Climate Change	●Reduces CO ₂ emissions.	●CO ₂ emissions reduction : Compared to 2020 (Scope 1, 2) - 14% reduction (2023) - 28% reduction (2026) - 46% reduction (2030)	
	●Promote the use of renewable energy sources for electricity.	●Turning to renewable energy : - Re-energizing the plant[Re-energization rate60%] (2023) - Re-energizing the Institute [Re-energization rate90%] (2026) - Re-energizing the Office* [Re-energization rate95%] (2030) <small>*Excluding tenant offices</small>	
Consideration for Global Environmental Issues	●Improve the efficiency of water use in manufacturing, from R&D to production.	●Improving water use efficiency : Compared to 2020 - 3% improvement (2023) - 6% improvement (2026) - 10% improvement (2030)	
	●Aiming for a recycling-oriented society, we make effective use of resources.	●Zero emissions of industrial and other waste from factories and laboratories : - Investigation and review of the status of outsourced processing (2023) - Zero emissions in factories and laboratories (2026) - Maintain zero emissions in factories and laboratories (2030)	
	●Establishing Earth Corporation's ECO standards and promoting the expansion of environmentally friendly products.	●Earth Corporation's Eco Standards Overview : → See Appendix	
Promoting Sustainable Procurement	●Promoting procurement of environmentally friendly packaging materials.	●Percentage of forest certified paper used : - Use ratio of 10% or more (2023) - Use ratio of 30% or more (2026) - Use ratio of 70% or more (2030)	
Providing products and services that contribute to safe and comfortable living	●Improving the implementation rate of periodic quality audits at our own factories and those of our contractors in order to eliminate serious quality-related accidents that could undermine customer satisfaction and trust.	●Periodic quality audit implementation rate : Maintain 100% (2023, 2026, 2030)	
	●Improving the implementation rate of the annual education and training plan to ensure compliance with relevant laws and regulations and to reduce the number of serious accidents leading to violations to zero.	●Education and training implementation rate : Maintain 100% (2023, 2026, 2030)	
Realization of a workplace that supports the success of diverse human resources	●Encouraging employees to take annual paid leave.	●Percentage of employees taking paid leave : Maintain at least 70% (2023, 2026, 2030)	
	●Promoting women's activities, we will increase the percentage of women in equivalent managerial positions.	●Ratio of female managers : - 10% or more (2023) - 18% or more (2026) - 30% or more (2030)	

Recognized as one of the "White 500 in Health Management Excellence Corporation 2022".

■ Our efforts were highly evaluated and certified for the second consecutive year.



【Specific Efforts】

- Establishment of the "Earth Health Declaration" (October 2019)
- Introduced M3PSP (M3 Patient Support Program)
- Conducting rubella antibody tests
- CODIV-19 Workplace Immunization Seminar
- Stretching Seminar / Eye Care Seminar
- Smoking Cessation Seminars and Smoking Cessation Challenge Programs
- Women's Health Seminar

[アース製薬が「健康経営優良法人2022ホワイト500」に認定社員とその家族の心身の健康増進に配慮した取り組みが評価され2年連続で認定 \(earth.jp\)](https://earth.jp) *Japanese only

Investment Philosophy



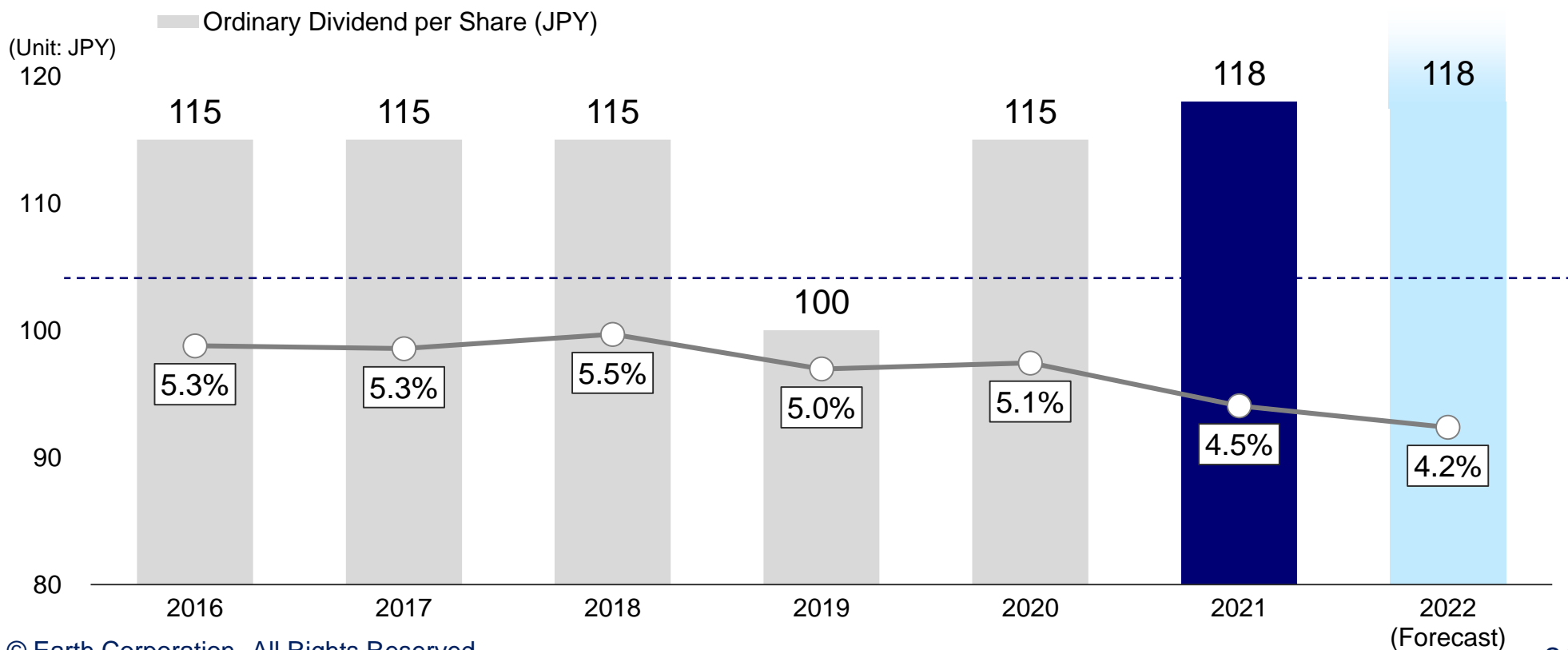
- Investing for revenue growth while securing 10-15% of total assets Cash
- Hurdle rates for each project; 7% as a guide, taking into account the risk of each deal
Appropriate decision-making process based on investment adoption criteria that results in a positive equity spread

【Status of Investment】

Investments	Objective	FY2022				FY2023			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
• M&A in the Philippines	Part of expanding Asian earnings base	★							
• Refurbishing backbone systems	Improved efficiency in a wide range of areas, including production, procurement, and sales logistics	---	---	---	---	---	---	→	★
• Seismic reinforcement of wastewater treatment plant	BCP compliance				---	---	---	→	★
• Expansion of production line for bath salts	Expand production capacity to meet increased demand	---	---	---	---	---	→	★	
• Expansion of production line for Insecticides & Repellents	Expand production capacity to meet increased demand							---	→
• Tokushima Petland and New Research Building Concept	Enhancement of product development capabilities through renewal of research facilities, etc.			---	---	→	★		

Shareholders Returns

- Target a Dividend on Equity Ratio (DOE) of 4 – 5%
- For FY2022, we forecast a dividend per share of 118 yen, a DOE of 4.2%, and a consolidated dividend payout ratio of 35.8%
- Adopt an agile approach and, should our performance and retained earnings levels allow it, consider raising dividends and/or executing share buybacks





EARTH

Act For Life

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.



Earth Corporation

**Supplementary Materials;
FY12/2022 1Q Results**

Consolidated Statement of Income



(Unit : million JPY)

	1Q FY12/21 Realized*	1Q FY12/22 Forecast	1Q FY12/22 Realized	FY12/2022 Forecast	1Q FY12/21 Realized**
Sales	37,034	38,900	38,603	155,000	49,278
Cost of sales	19,951	21,000	21,236	88,150	27,497
Gross profit	17,083	17,900	17,367	66,850	21,780
SG&A expenses	11,309	12,700	12,043	56,099	13,729
Operating income	5,774	5,200	5,323	10,750	8,050
Non-operating income	190	50	333	500	190
Non-operating expenses	33	20	8	100	33
Ordinary income	5,930	5,230	5,648	11,150	8,206
Extraordinary income	0	0	0	0	0
Extraordinary losses	5	100	30	250	5
Net income before income taxes	5,925	5,130	5,617	10,900	8,201
Total income taxes	5,925	1,650	1,756	3,300	2,524
Net income	0	3,480	3,861	7,600	5,676
Net income attributable to non-controlling interests	0	0	94	320	101
Net income attributable to owners of parent	0	3,480	3,766	7,280	5,575
Gross profit ratio	46.1%	46.0%	45.0%	43.1%	44.2%
Operating income ratio	15.6%	13.4%	13.8%	6.9%	16.3%
Net income attributable to owners of parent ratio	0.0%	8.9%	9.8%	4.7%	11.3%

*The figures for the previous year are reference values assuming the application of this year's standards. **Standard until 2021

Consolidated Sales by Segment



(Unit : million JPY)

	1Q FY12/21 Realized*	1Q FY12/22 Forecast	1Q FY12/22 Realized	FY12/2022 Forecast	1Q FY12/21 Realized**
Insecticides & Repellents	17,183	17,612	17,684	61,431	19,114
Oral hygiene products	1,799	1,917	1,769	8,280	10,142
Bath salts	5,812	6,744	6,201	27,219	6,824
Other Household products	7,032	7,946	7,863	33,792	7,953
Household products	14,644	16,608	15,834	69,292	24,921
Pet products & others	2,229	1,678	2,150	7,039	2,318
Household products business subtotal	34,057	35,899	35,669	137,763	46,354
General environment & sanitation business subtotal	6,381	6,248	6,414	27,700	6,334
Total sales include internal sales	40,438	42,148	42,084	165,463	52,688
(Adjustments)	▲ 3,403	▲ 3,248	▲ 3,481	▲ 10,463	▲ 3,410
Total sales	37,034	38,900	38,603	155,000	49,278
(Composition ratio)					
Insecticides & Repellents	46.4%	45.3%	45.8%	39.6%	38.8%
Household products	39.5%	42.7%	41.0%	44.7%	50.6%
Pet products & others	6.0%	4.3%	5.6%	4.5%	4.7%
Household products business	92.0%	92.3%	92.4%	88.9%	94.1%
General environment & sanitation business	17.2%	16.1%	16.6%	17.9%	12.9%

*The figures for the previous year are reference values assuming the application of this year's standards. **Standard until 2021

Operating Income Change Factors (YoY)



(Unit : million JPY)

<u>5,774</u>	FY12/21.1Q (Realized)*	<Breakdown>		
- 450	Increase in gross profit + 283	• Increase in gross profit due to an increase in sales	+ 680	
			• Impact from changes in the sales composition ratio	} - 396
			• Impact from raw material prices and exchange rate fluctuations	
	Increase in SG&A expenses - 734	• Increase in personnel expenses	-264	
			• Increase in distribution expenses	-142
			• Increase in advertising expenses	-26
			• Decrease in sales promotion expenses	+ 151
			• Costs of travel & transportation expenses, other activities	-63
			• Increase in commissions paid	-216
	• Others	-174		
<u>5,323</u>	FY12/21.1Q (Realized)			

Operating Income Change Factors (vs. Forecast)



(Unit : million JPY)

5,200		FY12/22.1Q (Forecast)		<Breakdown>		
+ 123	Gross Profit overperformance - 532	<ul style="list-style-type: none"> • Impact from sales plan not achieved -135 • Impact from changes in the sales composition ratio • Impact from raw material prices and exchange rate fluctuations 	-397			
	SG&A expenses within budget + 656	<ul style="list-style-type: none"> • Personnel expenses below the forecast + 97 • Distribution expenses above the forecast -6 • Unused/moved to next FY advertising expenses + 291 • Unused/moved to next FY R&D expenses + 82 • Costs of travel & transportation expenses, other activities + 63 	+ 129			
	Others	<ul style="list-style-type: none"> • Others + 129 	+ 129			
	5,323		FY12/21.1Q (Realized)			

Consolidated SG&A Expenses



(Unit : million JPY)

	1Q FY12/21 Realized*	1Q FY12/22 Forecast	1Q FY12/22 Realized	FY12/2022 Forecast	1Q FY12/21 Realized**
Personnel expenses	4,723	5,084	4,987	20,910	4,723
Shipping costs	875	945	957	4,449	875
Storage costs	539	605	599	2,511	539
Advertising expenses	672	989	698	8,120	672
Sales promotion expenses	440	233	289	1,070	2,861
R&D expenses	650	746	664	3,386	650
Depreciation expenses	309	342	346	1,388	309
Goodwill amortization	477	430	423	450	477
Travel&transportation expenses	217	325	251	1,393	217
Entertainment expenses	55	73	84	474	55
Commissions paid	358	322	292	1,372	358
Sales commissions	86	350	368	1,245	86
Miscellaneous expenses	108	152	118	1,028	108
Others	1,800	2,104	1,967	8,303	1,799
SG&A expenses Total	11,309	12,700	12,043	56,099	13,729
(Composition ratio)					
Personnel expenses ratio	12.8%	13.1%	12.9%	13.5%	9.6%
Advertising expenses ratio	1.8%	2.5%	1.8%	5.2%	1.4%
R&D expenses ratio	1.8%	1.9%	1.7%	2.2%	1.3%

*The figures for the previous year are reference values assuming the application of this year's standards. **Standard until 2021

Consolidated Balance Sheet



(Unit : million JPY)

		2021.1Q	2022.1Q	Y on Y +/-	End of 2021
Current assets	Cash & deposits	10,602	16,221	5,618	21,027
	Trade receivable	32,853	33,448	595	22,941
	Inventories	28,998	33,848	4,849	27,502
	Others	2,112	2,890	778	2,547
Non-current assets	Property, plant & equipment	28,023	27,698	▲ 325	27,551
	Intangible assets	5,793	3,966	▲ 1,827	4,276
	Investments & other assets	14,199	14,260	61	14,868
Total assets		122,583	132,333	9,750	120,715
Current liabilities	Trade payables	37,691	38,012	320	32,449
	Short-term borrowings	4,684	10,573	5,889	2,498
	Others	12,672	15,887	3,214	17,351
Non-current liabilities	Long-term borrowings	1,940	960	▲ 980	1,200
	Others	2,906	1,970	▲ 936	2,618
Total liabilities		59,895	67,404	7,508	56,118
Net assets	Total shareholders' equity	56,033	57,862	1,829	57,537
	Total accumulated other comprehensive income	2,183	2,558	375	2,421
	Non-controlling interests	4,470	4,508	37	4,638
Total net assets		62,687	64,929	2,242	64,596

Consolidated: Capital expenditure, Depreciation expenses

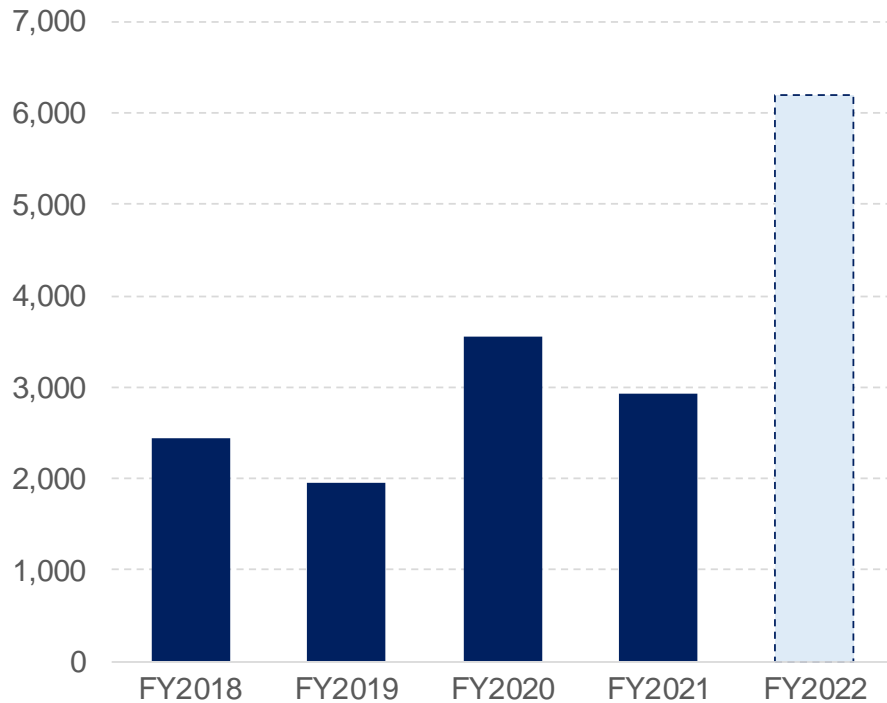


(Unit : million JPY)

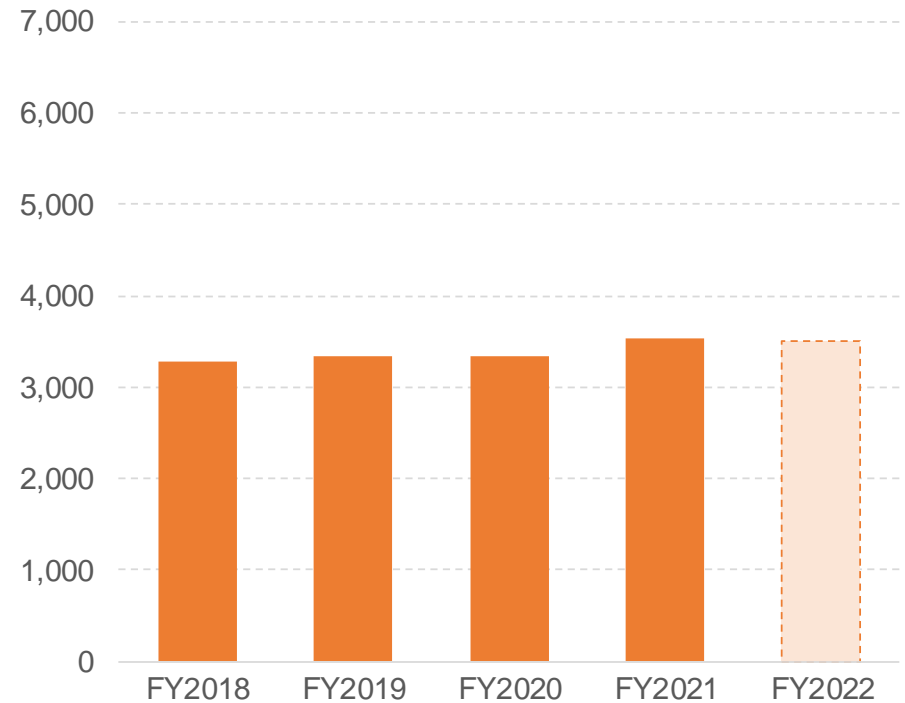
	FY2018	FY2019	FY2020	FY2021	FY2022
(単位：百万円)	Realized	Realized	Realized	Realized	Forecast
Capital expenditure	2,442	1,953	3,548	2,928	6,200

	FY2018	FY2019	FY2020	FY2021	FY2022
(単位：百万円)	Realized	Realized	Realized	Realized	Forecast
Depreciation expenses	3,290	3,334	3,334	3,537	3,500

Capital expenditure



Depreciation expenses



Overview of Group Companies' Business Performance



(Unit : million JPY)

Earth Corporation			
	FY21.1Q	FY22.1Q	FY22.1Q
(単位：百万円)	Realized*	Forecast	Realized
Sales	21,013	21,989	21,408
Gross profit	9,944	10,568	9,478
Operating income	4,941	4,678	4,048

BATHCLIN Corporation			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	3,358	3,966	3,767
Gross profit	1,500	1,702	1,719
Operating income	281	409	470

Hakugen Earth Co., Ltd.			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	3,971	4,383	4,114
Gross profit	1,557	1,509	1,347
Operating income	441	259	189

Earth Pet Co., Ltd.			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	1,558	1,389	1,403
Gross profit	662	543	628
Operating income	232	85	193

PETFOOD KITCHEN CO.,LTD.			
	FY21.1Q	FY22.1Q	FY22.1Q
(単位：百万円)	Realized*	Forecast	Realized
Sales	118	132	127
Gross profit	65	70	67
Operating income	▲ 10	▲ 6	4

Earth(Thailand)Co.,Ltd.			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	1,330	1,266	1,500
Gross profit	471	373	497
Operating income	279	135	241

Earth Corporation Vietnam			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	632	823	1,080
Gross profit	256	325	407
Operating income	41	37	95

Earth Home Products Malaysia			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	0	28	31
Gross profit	0	13	6
Operating income	0	▲ 20	▲ 24

Earth Corporation (Shanghai)			
	FY21.1Q	FY22.1Q	FY22.1Q
(単位：百万円)	Realized*	Forecast	Realized
Sales	517	422	563
Gross profit	163	120	221
Operating income	1	▲ 31	75

Earth Corporation (Tianjin)			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	1,008	1,007	1,128
Gross profit	196	117	168
Operating income	141	52	91

Earth Corporation (Suzhou)			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	555	425	543
Gross profit	144	65	110
Operating income	93	24	68

Earth Environmental Service Co., Ltd.			
	FY21.1Q	FY22.1Q	FY22.1Q
	Realized*	Forecast	Realized
Sales	6,381	6,248	6,414
Gross profit	2,418	2,570	2,698
Operating income	67	72	299

* The figures for the previous year are reference values assuming the application of this year's standards.



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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.