



Earnings briefing materials for 3Q of the fiscal year ending December 2022

08/11/2022

Earth Corporation



BARTH - Conclusion of business transfer agreement



Purpose of business acquisition



[Strategic Significance]

- **Acquisition of "world view" and "brand value" of the BARTH brand**
 - ▶ The BARTH brand has established its own unique worldview by appealing for "Night Routine" from bath time to sleep time by evoking the latent needs of customers through the concepts of "beauty," "sleep," and "recovery".
 - ▶ Through this business acquisition, the company will acquire not only the "products" themselves, including bath salts, but also the unique world view, brand, and marketing know-how that it has built up to date.

[Vision for the future]

- **Improve profitability by leveraging know-how and Synergy with existing products**
 - ▶ Based on the world view created by the differentiation of the BARTH brand in terms of "design," "functionality," "concept," and "medium to high price range," we will create products under the "BARTH brand" × "our existing or new category," with a view to improving profitability by developing products in the high price range.
 - ▶ Aiming to generate synergies in our existing categories

- **Details of business acquired**
 - ▶ Development, manufacture, and sale of products containing neutral bicarbonate including medicinal BARTH neutral bicarbonate bath salt, and other BARTH brand products, and any other business related to these operations
- **Assets and liabilities to be acquired**
 - ▶ Inventory and intangible fixed assets related to the business to be acquired
- **Operating results of business acquired**
 - ▶ Sales 1,838 million yen (Fiscal year ending August 2022)
- **Business acquisition cost**
 - ▶ Undisclosed due to agreement between the involved parties

Timetable & Overview of accounting treatments



- **Timetable**

- ▶ Date of conclusion of the agreement: November 8, 2022
- ▶ Date of acquisition of business: March 1, 2023 (scheduled)

- **Overview of accounting treatments**

- ▶ The impact of this matter on our group's consolidated financial results for the fiscal year ending December 31, 2022 is negligible.
- ▶ The amount of goodwill involved in this treatment is now being investigated



Earth Corporation

FY12/2022 3Q Results

Executive Summary ① (vs. Forecast)



- **Financial results overview**

- ▶ Sales : 124.4 billion yen; vs. the forecast: - 2.1%
- ▶ Operating Income : 12 billion yen; vs. the forecast: - 14.2%

(vs. Forecast)

- ▶ **3 billion yen downward swing** in gross profit
 - Sales of insecticides & repellents fell short of the plan by 3.6 billion yen, mainly due to the impact of sluggish market caused by unseasonable weather. Although sales of other household products and overseas business increased, it was not enough to cover the shortfall in sales of insecticides & repellents, resulting in a decrease of 2.1 billion yen in total, including "impact of sales plan miss" and "change in category composition ratio."
 - Impact of soaring material prices and currency fluctuations: 0.9 billion yen as of 3Q
- ▶ **1.0 billion yen reduction** in SG&A expenses due to cost controls, etc.

Executive Summary ② (YoY)



• Financial results overview * LFY results calculated and adjusted retroactively using the new Accounting Standard

- ▶ Sales : 124.4 billion yen; YoY* : + 1.9%
- ▶ Operating Income : 12 billion yen; YoY*: - 19.4%

(YoY)

- ▶ **1.0 billion yen decrease** in gross profit
 - Sales of insecticides & repellents decreased due to weather factors, while sales of other household products increased, but this was offset by "profit increase due to higher sales" and "change in category composition", resulting in a decrease of 170 million yen.
 - Decreased by 1.24 billion yen due to soaring raw material prices and exchange rate fluctuations
 - Increased by 350 million yen due to newly consolidated and foreign exchange fluctuation effects
- ▶ **1.8 billion yen increase** in SG&A expenses
 - Personal expenses : 750 million yen
 - Logistics expenses : 390 million yen
 - Travel & transportation expenses : 320 million yen

Financial Result Highlights



- As of the end of 3Q, the Earth Corporation registered an increase in sales accompanied by a decrease in profits. Operating income fell short of the plan by 14%
- Impacted by raw material price hikes, in addition to the underachievement of insecticides & repellents, which are a source of earnings

Following the adoption of the new Accounting Standard for Revenue Recognition

(Unit: 0.1 billion JPY)

	Realized	Vs. Forecast	YoY*	Topics
Sales	1,244	97.9%	101.9%	<ul style="list-style-type: none"> • Sales of insecticides & repellents fell short of company expectations, due to the impact of a generalized market slowdown • Effect of new consolidation: +0.37 bn yen, Effect of exchange rate fluctuations: +1.51 bn yen
Gross Profit	530.8	94.6%	98.0%	<ul style="list-style-type: none"> • Impact from soaring raw material prices & currency fluctuations: vs. forecast – 900 million yen • Sales mix
SG&A Expenses	410.6	97.9%	104.7%	<ul style="list-style-type: none"> • Within an adequate range, as formulated in the forecast • Considering adjustments toward the end of the fiscal year
Operating Income	120.1	85.8%	80.6%	<ul style="list-style-type: none"> • Underperformance of 1.98 billion yen vs. 3Q forecast • Recovery measures are being carried out.
Profit Before Tax	128.4	91.2%	84.5%	<ul style="list-style-type: none"> • Foreign exchange gain: 530 million yen was posted • No extraordinary gains or losses of note

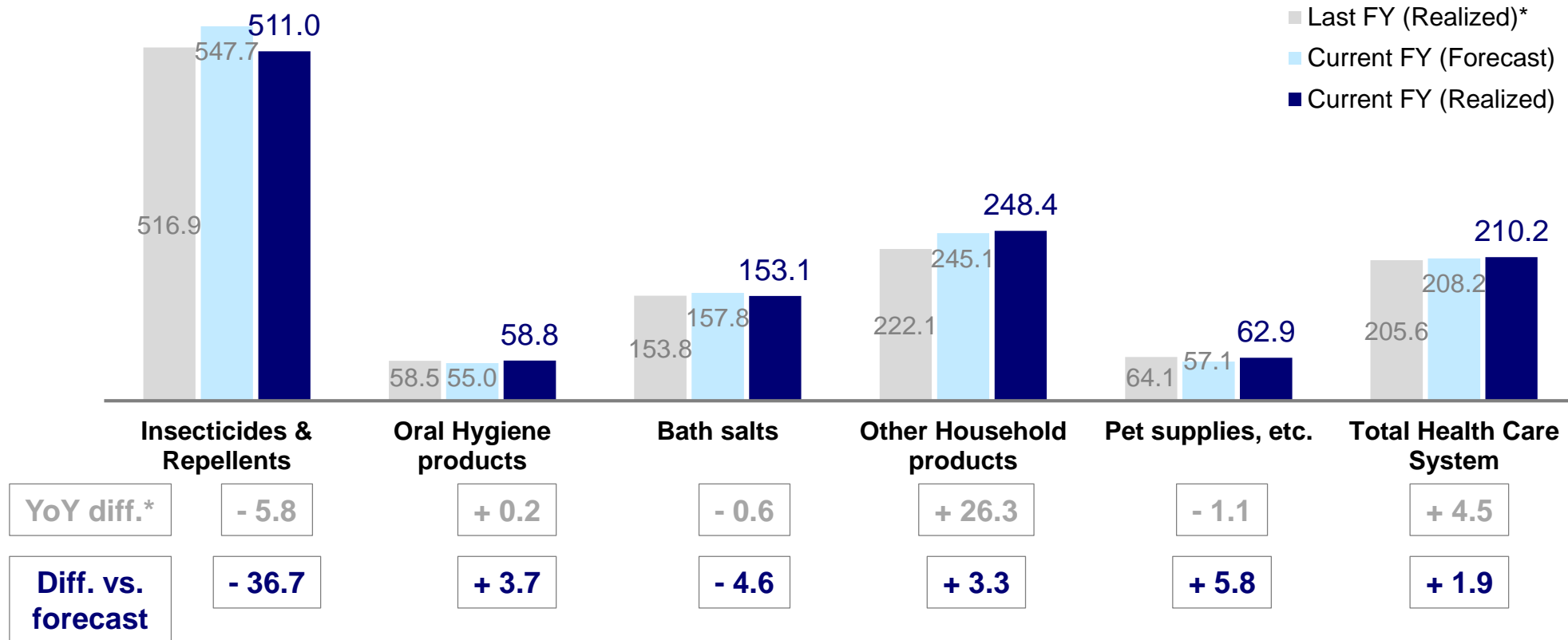
Sales By Segment



*To outside customers (excludes internal eliminations)

(Unit: 0.1 billion JPY)

- Sales of insecticides & repellents were affected by unstable weather, decreasing YoY as of the end of 3Q, and falling short of the forecast for the same period
- Bath salts, which have been growing at a high rate for the past two years, maintained the same level of sales as the previous year.
- Other household products continued to grow, partly due to the positive effect of exchange rate fluctuations

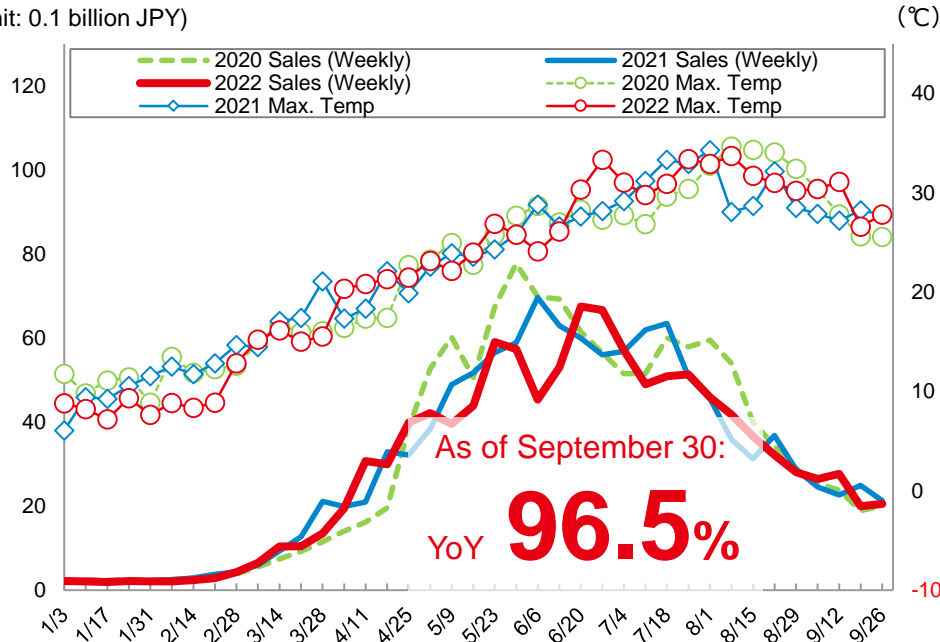


Status Of The Insecticides & Repellents Segment (Domestic)



Market Trends

(Unit: 0.1 billion JPY)



- Uses against flies, mosquitoes, and cockroaches decreased YoY
- Strong sales of insecticides targeting ticks & mites, and harmful insects, as well as of repellents

Earth Corporation Market Share (As of September 30)

55.7% ➔ 56.1%

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Flagship Products - Trends

- EARTH NO MAT

Vs. forecast **89%**



- MUSHI YOKE NET EX

Vs. forecast **95%**



New Products - Trends

- MAMOROOM

Vs. forecast **186%**



- ZERO de KNIGHT

Vs. forecast **263%**



COGS – Status Overview

- Overall cost increase in raw materials, packaging materials, etc.
- Impacted by soaring ocean transportation costs and container prices due to yen depreciation, etc.

Impact of soaring raw material prices

Diff. vs. 3Q forecast

Profit Impact Amount

- 900 million yen

Diff. vs. full year FY12/2022 forecast

Profit Impact Amount

- 1.5 billion yen

[Major raw & packaging materials experiencing soaring prices]

- Concentrated glycerin (MONDAHMIN; bath salts)
- Succinic acid; Sodium bicarbonate (bath salts)
- LPG (aerosols)
- Resins (Used for packaging, film wrapping, etc. across a wide range of products)

Foreign exchange – Diff. vs. initial forecast

Currency	Forecast		Rate (September 30)	Vs. Forecast
人民币元	17.15	➔	20.37	+18.7%
USD	111.00	➔	144.81	+30.4%
THB	3.38	➔	3.81	+12.7%
VND	0.00505	➔	0.00607	+20.1%

Impact from foreign currency fluctuations

- The greatest impact has been from fluctuations in the RMB exchange rate, since RMB/JPY has the highest transaction volume for the Earth Corporation
- Should exchange rates remain at current levels, this could mean costs 300 – 400 million yen higher than forecast

SG&A Expenses – Status Overview



(Unit: 0.1 billion JPY)

- SG&A expense items remained in an adequate range, as formulated in the forecast
- Ongoing application of cost controls

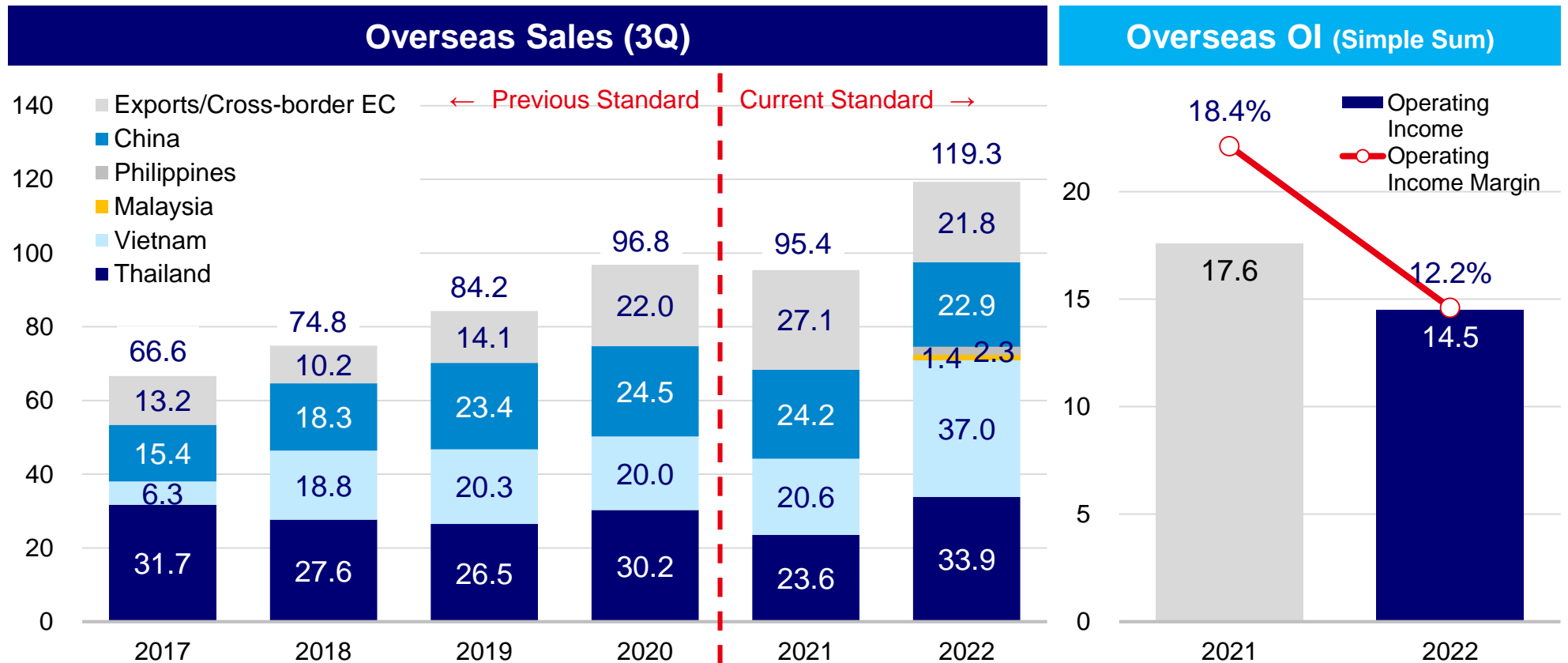
	3Q FY12/2021	3Q FY12/2022	3Q FY12/2022		
	Realized*	Forecast	Realized	Vs. Forecast	Points
Personal expenses	147.5	156.7	155.0	▲ 1.6	
Shipping costs	32.2	34.5	34.7	0.2	
Storage costs	18.2	19.4	19.6	0.1	
Advertising expenses	56.2	61.3	55.9	▲ 5.4	< than expected(spillover in execution timing vs. the forecast)
Sales promotion expenses	7.6	7.7	7.5	▲ 0.2	
R&D expenses	20.3	23.0	21.5	▲ 1.5	
Depreciation expenses	9.3	10.3	10.8	0.5	
Goodwill amortization	14.1	4.4	4.3	0.0	Goodwill amortization for BATHCLIN CORP ended in 1Q 2022
Travel&transportation expenses	7.8	10.4	9.5	▲ 0.9	
Entertainment expenses	2.0	3.6	3.6	0.0	
Comission paid	8.5	6.6	9.4	2.8	
Sales comissions	5.1	9.5	9.8	0.2	
Miscellaneous expenses	5.4	6.1	6.2	0.1	
Others	58.1	67.4	62.8	▲ 4.6	
Total	392.3	420.9	410.6	▲ 10.3	

Overseas Results (Including cross-border EC)



(Unit: 0.1 billion JPY)

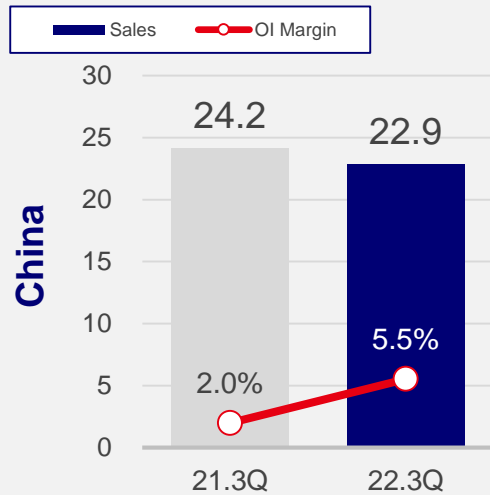
- Sales YoY* : 125.1% In addition to growth in Thailand and Vietnam, there were positive effects from exchange rate fluctuations (+1.51 billion yen) and the consolidation of new subsidiaries in Malaysia and the Philippines (+0.37 billion yen), resulting in 105.3% YoY growth in real terms
- Due to rising freight and raw material prices as well as a year-over-year reduction in highly profitable Japanese exports, profitability somewhat declined



Overseas Results (Status By Country: China)

Local Subsidiary Results* (0.1 B JPY)

Effective YoY Sales On A Local Currency Basis : 94.9%



Progress Status Vs. The Forecast

- Sales began to recover when the lockdown was removed, but because of action and power constraints, there was an excess of goods in distribution, and sales lagged
- Recovering sales with cockroach and mite products that are in demand even late in the season



Measures in the 4th quarter and beyond

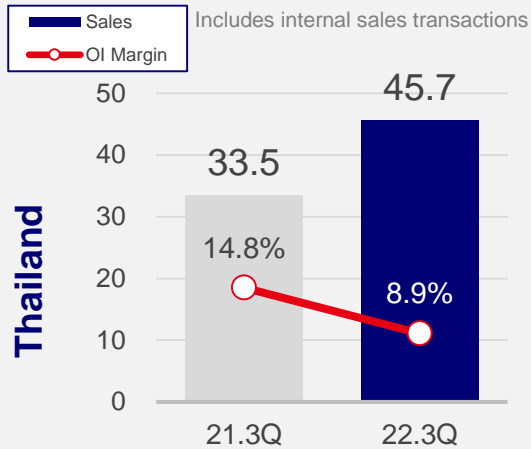
- Systematic sales promotion for W11 event and inventory digestion
- Preparation for new product launches
- Development under zero-CODIV policy

(Reference) Impact Due To Lockdown Measures etc.

- Even after the prolonged lockdown in Shanghai was lifted, there have been a number of sporadic blockades and quarantines in key cities throughout the nation.
 - Sluggish customer traffic in real stores, no delivery or delivery available through e-commerce channels, and food deliveries are a priority.
 - EC channel is overstocked and therefore controlling shipments
 - Consumer disengagement of major EC companies
- Plant shutdowns due to power shortages, shortened hours and closures at retail stores, etc.

Overseas Results (Status By Country: Thailand & Vietnam)

Local Subsidiary Results* (0.1 B JPY)



Effective YoY Sales On A Local Currency Basis : 143.6%

Progress Status Vs. The Forecast

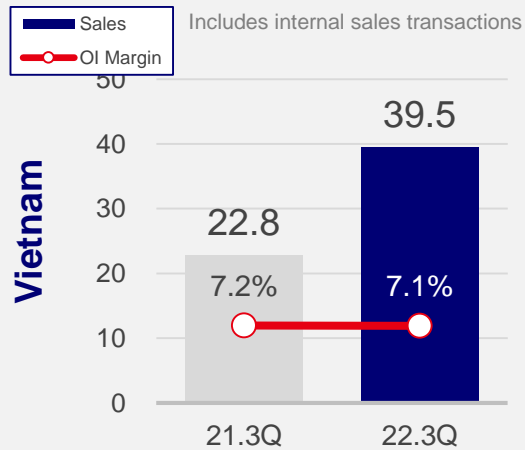
- Strong expansion of domestic sales in Thailand
- The effects of rising raw material prices and changing currency rates became clear. SG&A costs were kept under control, although profits did not meet expectations

Measures in the 4th quarter and beyond

- Insecticides & Repellents - Challenge to achieve No.1 share
- Enhance the expansion of OP-T (local) channels
- Execute CSR activities in collaboration with public government organizations and neighboring retailers



Local Subsidiary Results* (0.1 B JPY)



Effective YoY Sales On A Local Currency Basis : 179.4%

Progress Status Vs. The Forecast

- Steady growth in domestic sales in Vietnam on the back of last year's lockdown and market recovery
- While profitability came slightly below target due to the impact of soaring raw material prices and other factors, we nevertheless achieved the profit target for Q3
- Raise prices for floor cleaner and dish washing products

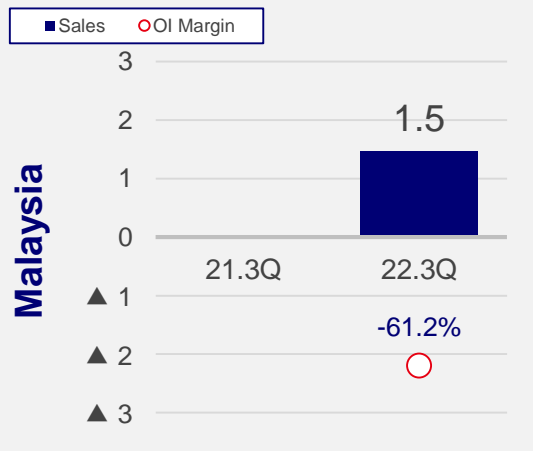
Measures in the 4th quarter and beyond

- Rise in air freshener market share
- Implementation of cost reduction measures (change of solvents for Insecticides & Repellents products)
- Carry out cost control measures to offset the impact from soaring raw material prices



Overseas Results (Status By Country: Malaysia & Philippines)

Local Subsidiary Results* (0.1 B JPY)



Effective YoY Sales On A Local Currency Basis : —

Progress Status Vs. The Forecast

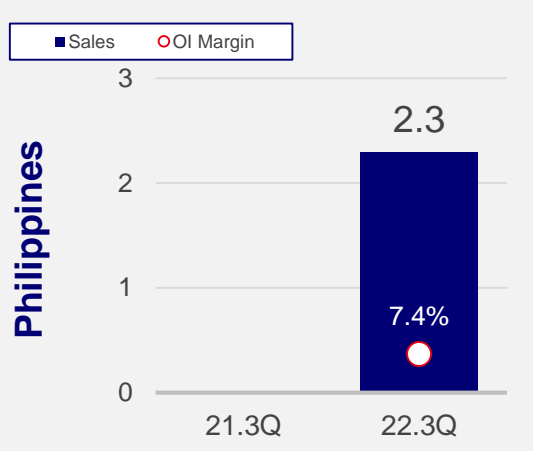
- Sales exceeded plan due to promotional activities to expand sales channels for new products (ARS) and existing products
- The effects of raw material price increases became clear.
- Increase in SG&A expenses due to stronger promotions



Measures in the 4th quarter and beyond

- Continued promotion to expand sales channels
- Aggressive promotion of air fresheners and cleaning agents
- Expect higher procurement costs due to soaring raw material prices

Local Subsidiary Results* (0.1 B JPY)



Effective YoY Sales On A Local Currency Basis : —

Progress Status Vs. The Forecast

- Entered the Consolidated PL 3Q FY 2022
- Air freshener and insecticide products introduced to the market
- Price increases implemented as a measure to cope with cost increases
- Establishment of internal management system



Measures in the 4th quarter and beyond

- Product launches
- Expand awareness of the Earth brand
- Profitability improvements
- Unlock integration synergies (Transfer production of existing products, etc.)

FY12/2022 Forecast

- The full year FY12/2022 forecast remains has not changed as of yet, but we are attentively analyzing it in light of the present circumstances.

FY12/2022 Forecast



Source: FY12/2021 earnings briefing materials

- Sustain impact from soaring raw material prices; Execute adequate and sufficient investment toward future growth
- Despite a challenging environment, we will aim for over 10 billion yen in operating income and a record net income performance

(Unit: 0.1 billion JPY)

	FY2022 (Forecast)	Topics	FY2021 (Realized)	FY2022 (Forecast)
Sales	1,550	<ul style="list-style-type: none"> Actual +7.3 billion yen; Market forecast premised on average-year weather patterns Product returns (Insect. & Repellents) 6.5% → 6.0% 	2,037	2,110
Gross Profit	668.5	<ul style="list-style-type: none"> Rising costs from soaring raw material prices: estimate of -1.25 billion yen Increase in gross profit, but slightly lower expected profit margin 	823.3	850.5
SG&A Expenses	561.0	<ul style="list-style-type: none"> R&D; Core System maintenance expenses, etc. allocate additional funds toward future growth 	716.6	743.0
Operating Income	107.5	<ul style="list-style-type: none"> Secure same operating income level as in FY2021 	106.6	107.5
Net Income attributable to owners of parent	72.8	<ul style="list-style-type: none"> Best performance ever 	71.4	72.8
ROE	~12%	<ul style="list-style-type: none"> Aim for a capital efficiency comparable to FY2021 	12.4%	~12%

Progress Update On Investment Projects



- Pay close attention to capital efficiency and carry out investments toward profit growth
- Establish a hurdle rate for each project (Evaluate risk with a baseline of 7% as a rough estimate)
Adequately carry out a decision-making process based on investment viability criteria

[Status Of Investment]

Major Investment Projects	Objective	2022				2023				
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
• M&A of a company in the Philippines	Part of efforts to expand the profit foundation in Asia	★								
• BARTH brand business acquisition NEW	Expand brand lineup for business growth				Business Acquisition ★ Conclusion of the agreement	Closing ★ (scheduled)				
• Revamp our core system	Efficiency improvements in multiple domains, such as production, procurement, sales logistics, etc.									★
• Reinforce seismic resistance at wastewater treatment facilities	BCP measures									★
• Bath salts – increase production lines	Expand production capacity to address demand growth									★
• Insecticides & repellents – increase production lines	Expand production capacity to address demand growth									
• Build a new R&D block at Tokushima Pet Land	Increase product development capabilities by revamping our R&D facilities									★

Environment / Social

■ Established a new specialized department.

- The internal organization was reviewed, and the ensuing new departments were created. To expedite efforts, the entire firm will collaborate.
 - CSR & Sustainability Promotion Dept.: The Earth Group's sustainability-related efforts will be promoted through this division.
 - Well-being Promotion Section, Human Resources Management Dept.: This section encourages different work methods, health support, and diversity and inclusion.

Environment

■ Support for TCFD Recommendations

- We have affirmed our support for the Task Force on Climate-Related Financial Disclosures' recommendations (TCFD).
- We acknowledge that addressing climate change is crucial to building a sustainable society.
- In the future, we shall provide information in accordance with the disclosure framework suggested by the TCFD.

■ Environmentally friendly electricity is introduced

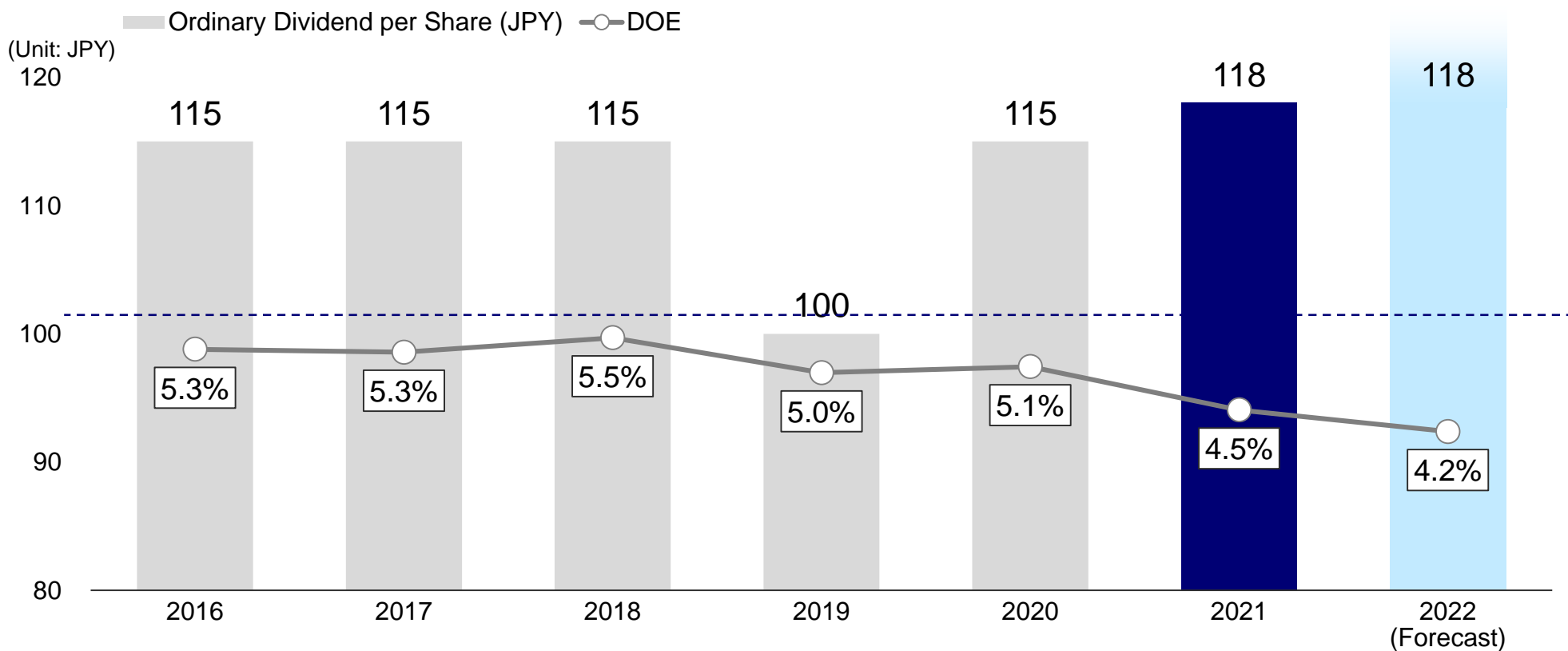
- Renewable energy sources are now the primary source of electricity used at Earth Corporation's Ako Plant.
- The Shizuoka Plant of the BATHCLIN Corporation has introduced 100% CO₂-free electricity with additional environmental benefits from renewable energy sources.



Only available in Japanese :
<https://www.bathclin.co.jp/news/2022/0214>

Shareholder 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.

APPENDIX.



Earth Corporation

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**

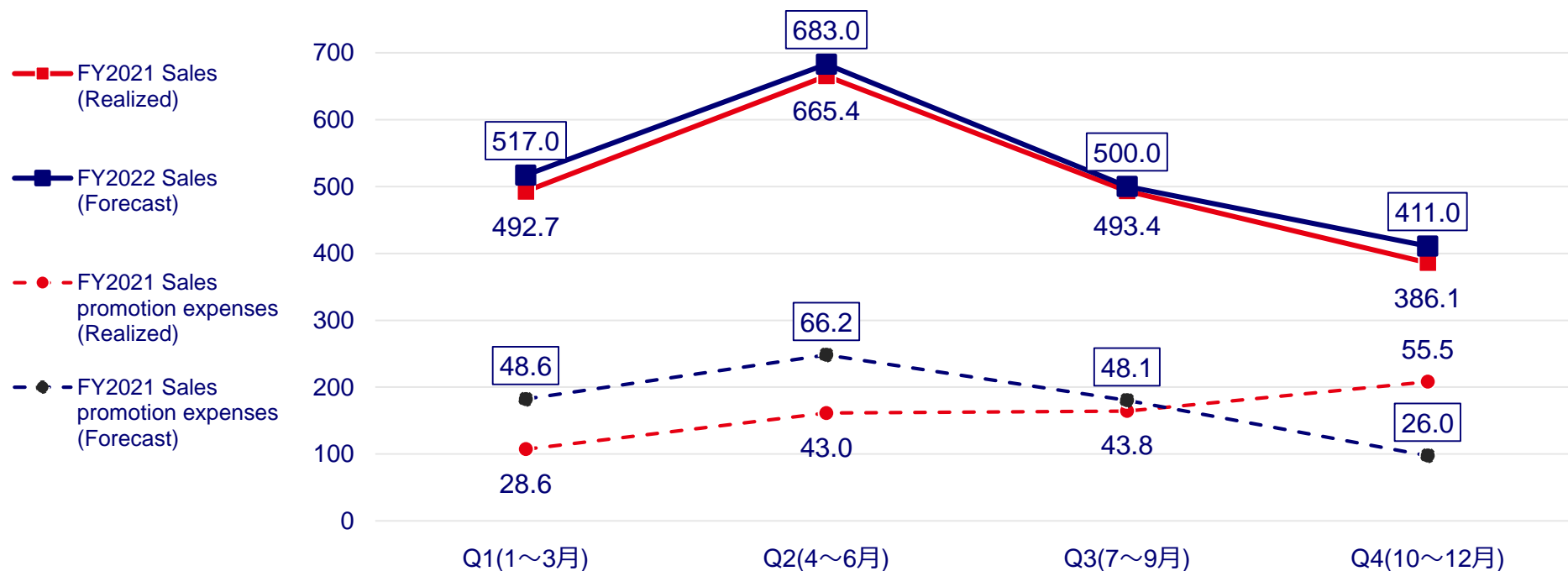
Quarterly Sales Promotion Plan



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	+20.0	+23.2	+4.3	▲29.5

FY21 (Realized) vs. FY22 (Forecast)

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



■ Expand sales through the release of new products not accounted for in the initial forecast

- Fall launch of 66 new household product SKUs, including products not accounted for in the initial forecast
- Sales target: 2.6 billion yen

■ Execute cost controls

- Make efficient use of expenses toward securing profits
- However, we will be taking a pro-active approach to the use of expenses necessary for sustainable growth

■ Advance execution of cost pass-throughs

- Execute cost pass-throughs starting in the fall season, for some household products like chemical dehumidifiers and insulation materials
- We have already started executing these measures in the Overseas market



Earth Corporation

**Supplementary Materials;
FY12/2022 3Q Results**

Consolidated Statement of Income



(Unit : million JPY)

	3Q FY12/22	3Q FY12/22	3Q FY12/22	YoY	vs.FCT	FY12/22		3Q FY12/21
	Realized*	Forecast	Realized			Forecast	3Q YTD	Realized**
Sales	122,102	127,100	124,445	101.9%	97.9%	155,000	80.3%	165,167
Cost of sales	67,949	71,000	71,362	105.0%	100.5%	88,150	81.0%	94,536
Gross profit	54,152	56,100	53,083	98.0%	94.6%	66,850	79.4%	70,631
SG&A expenses	39,238	42,099	41,069	104.7%	97.6%	56,099	73.2%	50,278
Operating profit	14,913	14,000	12,013	80.6%	85.8%	10,750	111.8%	20,353
Non-operating income	510	240	920	180.1%	383.4%	500	184.0%	510
Non-operating expenses	48	60	33	68.8%	55.7%	100	33.4%	48
Ordinary profit	15,376	14,180	12,899	83.9%	91.0%	11,150	115.7%	20,815
Extraordinary income	147	0	25			0		147
Extraordinary losses	329	100	80	24.3%	80.3%	250	32.1%	329
Net income before income taxes	15,193	14,080	12,845	84.5%	91.2%	10,900	117.8%	20,633
Gross profit ratio	44.4%	44.1%	42.7%	▲ 1.7pt	▲ 1.5pt	43.1%		42.8%
Operating income ratio	12.2%	11.0%	9.7%	▲ 2.6pt	▲ 1.4pt	6.9%		12.3%
Net income before income taxes ratio	12.4%	11.1%	10.3%	▲ 2.1pt	▲ 0.8pt	7.0%		12.5%

*LFY results provided for reference purposes, calculated retroactively using the new Accounting Standard **Standard until 2021

Consolidated Sales by Segment



(Unit : million JPY)

	3Q FY12/21		3Q FY12/21			FY12/21		3Q FY12/21
	Realized*	Forecast	Realized	YoY	vs.FCT	Forecast	3Q YTD	Realized**
Insecticides & Repellents	56,684	58,711	56,517	99.7%	96.3%	61,431	92.0%	67,072
Oral hygiene products	5,867	5,513	5,910	100.7%	107.2%	8,280	71.4%	33,587
Bath salts	17,546	17,724	17,519	99.8%	98.8%	27,219	64.4%	19,686
Other household products	23,647	25,806	26,300	111.2%	101.9%	33,792	77.8%	26,094
Household products	47,062	49,044	49,730	105.7%	101.4%	69,292	71.8%	79,368
Pet products & others	6,987	6,634	6,718	96.1%	101.3%	7,039	95.4%	7,375
Household products business subtotal	110,734	114,389	112,966	102.0%	98.8%	137,763	82.0%	153,816
General environment & sanitation business subtotal	20,666	20,933	21,139	102.3%	101.0%	27,700	76.3%	20,650
Total sales include internal sales	131,400	135,322	134,105	102.1%	99.1%	165,463	81.0%	174,466
(Adjustments)	▲ 9,298	▲ 8,222	▲ 9,660			▲ 10,463		▲ 9,298
Total sales	122,102	127,100	124,445	101.9%	97.9%	155,000	80.3%	165,167
(Composition ratio) *Denominator is total including internal sales								
Insecticides & Repellents	46.4%	46.2%	45.4%	▲ 1.0pt	▲ 0.8pt	39.6%		40.6%
Household products	38.5%	38.6%	40.0%	1.4pt	1.4pt	44.7%		48.1%
Pet products & others	5.7%	5.2%	5.4%	▲ 0.3pt	0.2pt	4.5%		4.5%
Household products business	90.7%	90.0%	90.8%	0.1pt	0.8pt	88.9%		93.1%
General environment & sanitation business	16.9%	16.5%	17.0%	0.1pt	0.5pt	17.9%		12.5%

Operating Income Change Factors (YoY)



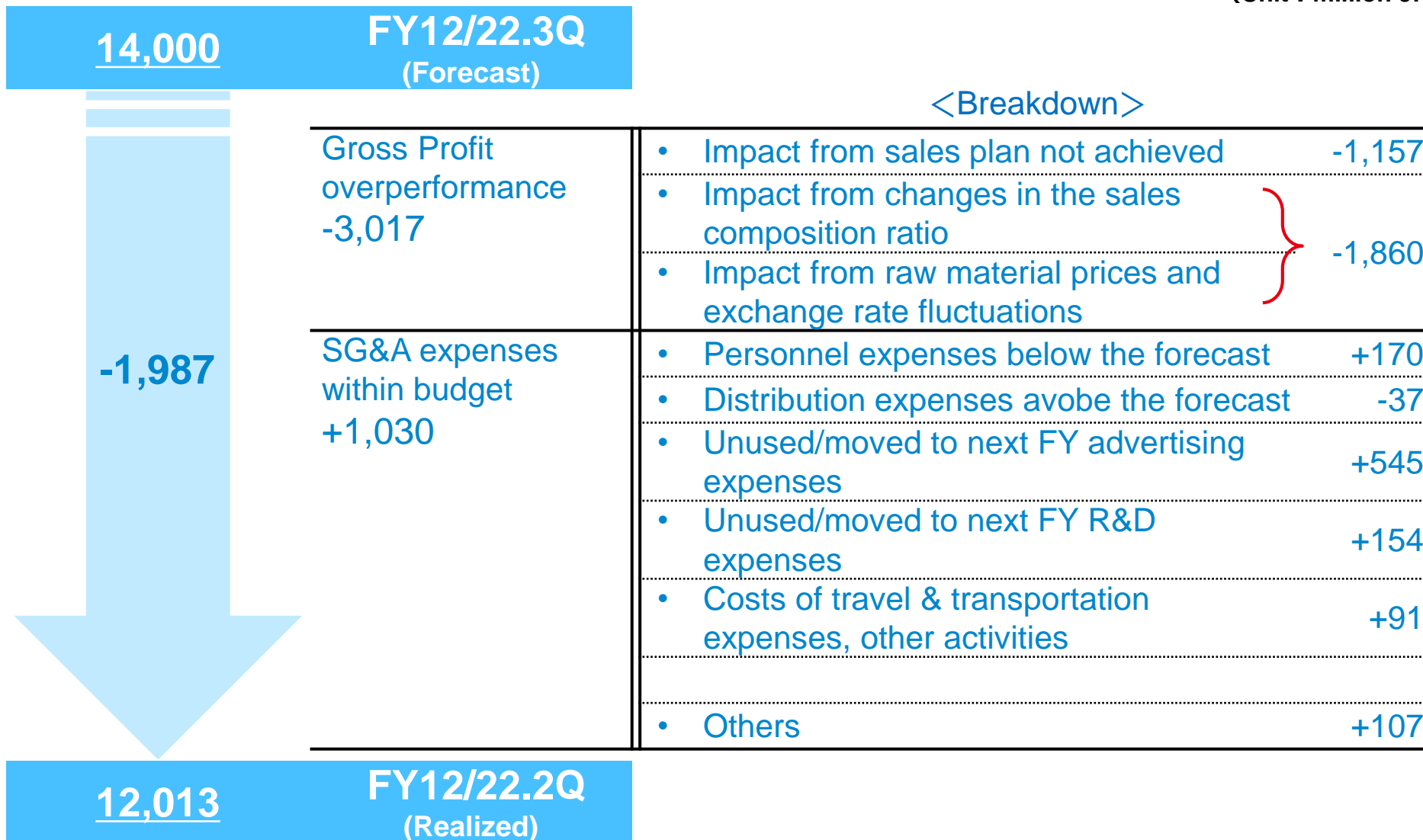
(Unit : million JPY)

14,913 FY12/21.3Q (Realized)*		<Breakdown>	
- 2,900	Decrease in gross profit - 1,069	<ul style="list-style-type: none"> • Increase in gross profit due to an increase in sales +1,079 • Impact from changes in the sales composition ratio • Impact from raw material prices and exchange rate fluctuations 	-2,148
	Increase in SG&A expenses - 1,831	<ul style="list-style-type: none"> • Increase in personnel expenses -757 • Increase in distribution expenses -390 • Decrease in advertising expenses +34 • Increase in sales promotion expenses +18 • Costs of travel & transportation expenses, other activities -327 • Decrease in commissions paid -83 • Others -326 	
12,013 FY12/22.3Q (Realized)			

Operating Income Change Factors (vs. Forecast)



(Unit : million JPY)



Consolidated: SG&A Expenses



(Unit : million JPY)

	3Q FY12/21		3Q FY12/22		3Q FY12/22		FY12/22		3Q FY12/21
	Realized*	Forecast	Realized	YoY	vs.FCT	Forecast	3Q YTD	Realized**	
Personal expenses	14,750	15,677	15,507	105.1%	98.9%	20,910	74.2%	14,750	
Shipping costs	3,225	3,453	3,476	107.8%	100.7%	4,449	78.1%	3,225	
Strage costs	1,824	1,949	1,963	107.6%	100.7%	2,511	78.2%	1,824	
Advertising costs	5,627	6,138	5,593	99.4%	91.1%	8,120	68.9%	5,686	
Sales promotion expenses	769	771	751	97.7%	97.4%	1,070	70.2%	11,546	
R&D expenses	2,032	2,306	2,152	105.9%	93.3%	3,386	63.6%	2,032	
Depreciation expenses	936	1,033	1,089	116.3%	105.4%	1,388	78.5%	936	
Goodwill amortization	1,413	444	439	31.1%	98.9%	450	97.6%	1,413	
Travel&transportation expenses	784	1,048	953	121.6%	90.9%	1,393	68.4%	784	
Entertainment expenses	207	361	365	176.3%	101.1%	474	77.0%	207	
Comission paid	858	661	941	109.7%	142.4%	1,372	68.6%	1,061	
Sales comission	518	952	980	189.2%	102.9%	1,245	78.7%	518	
Miscellaneous expenses	541	612	626	115.7%	102.3%	1,028	60.9%	541	
Others	5,754	6,694	6,234	108.3%	93.1%	8,303	75.1%	5,755	
Total	39,238	42,099	41,069	104.7%	97.6%	56,099	73.2%	50,278	
(Composition ratio)									
Personal expenses ratio	16.8%	17.1%	17.4%	0.5pt	0.2pt	13.5%		12.7%	
Advertising costs ratio	6.4%	6.7%	6.3%	▲ 0.2pt	▲ 0.4pt	5.2%		4.9%	
R&D expenses ratio	2.3%	2.5%	2.4%	0.1pt	▲ 0.1pt	2.2%		1.8%	

*LFY results provided for reference purposes, calculated retroactively using the new Accounting Standard

**Standard until 2021

Consolidated Balance Sheet



(Unit : million JPY)

		2021.3Q	2022.3Q	YoY	End of 2021
Current assets	Cash & deposits	28,190	25,322	▲ 2,868	21,027
	Trade receivable	27,520	27,414	▲ 106	22,941
	Inventories	24,989	29,351	4,362	27,502
	Others	2,394	3,105	711	2,547
Non-current assets	Property, plant & equipment	27,585	28,882	1,297	27,551
	Intangible assets	4,688	4,868	180	4,276
	Investments & other assets	13,472	15,995	2,523	14,868
Total assets		128,841	134,940	6,099	120,715
Current liabilities	Trade payables	33,959	36,467	2,508	32,449
	Short-term borrowings	2,187	1,960	▲ 227	2,498
	Others	18,411	22,783	4,372	17,351
Non-current liabilities	Long-term borrowings	1,440	480	▲ 960	1,200
	Others	2,213	1,957	▲ 256	2,618
Total liabilities		58,211	63,648	5,436	56,118
Net assets	Total shareholders' equity	64,430	62,963	▲ 1,467	57,537
	Total accumulated other comprehensive income	1,584	3,482	1,897	2,421
	Non-controlling interests	4,615	4,846	231	4,638
Total net assets		70,629	71,292	662	64,596

Consolidated: Capital expenditure, Depreciation expenses

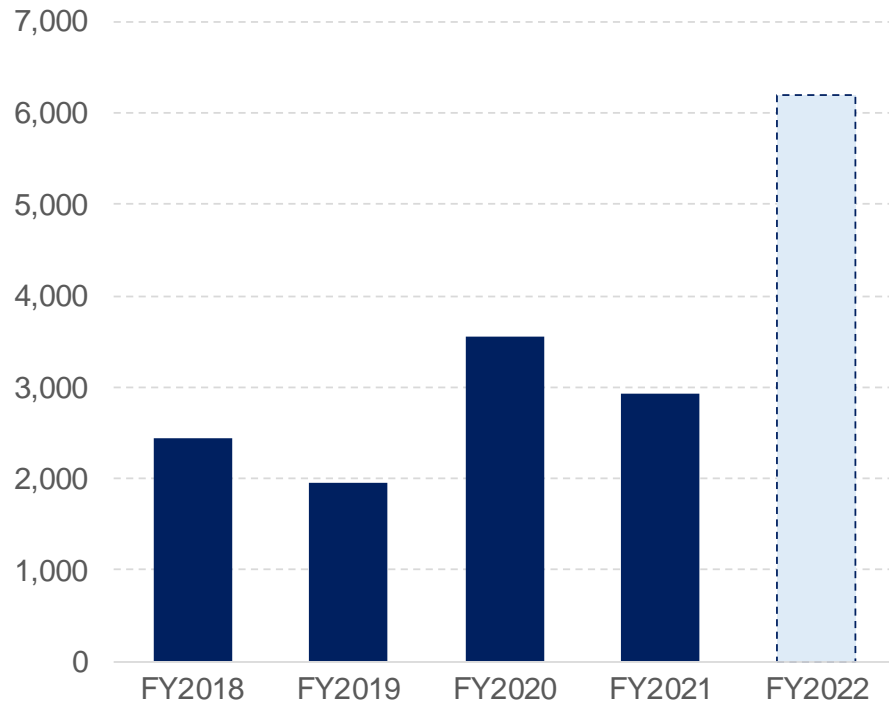


(Unit : million JPY)

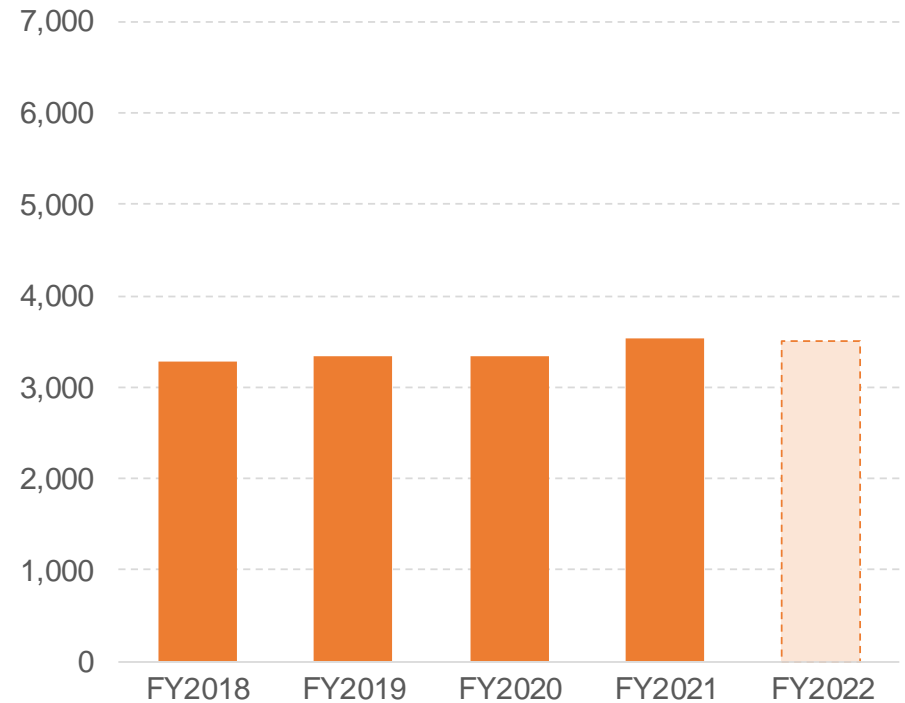
	FY2018	FY2019	FY2020	FY2021	FY2022
(単位：百万円)	Realized	Realized	Realized	Realized	Forecast
Capital expenditure	2,442	1,953	3,548	2,928	6,200

	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				BATHCLIN Corporation			Hakugen Earth Co., Ltd.			Earth Pet Co., Ltd.		
	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q
	Realized*	Forecast	Realized	Realized*	Forecast	Realized	Realized*	Forecast	Realized	Realized*	Forecast	Realized
Sales	69,434	70,888	67,340	10,590	11,086	10,900	13,764	14,731	14,249	4,650	4,830	4,545
Gross profit	30,558	32,517	28,876	4,746	4,669	4,566	5,227	5,087	4,726	1,882	1,837	1,736
Operatig income	11,245	10,789	8,390	1,084	802	725	1,444	999	840	528	374	405
Earth(Thailand)Co.,Ltd.				Earth Corporation Vietnam			EARTH HOME PRODUCTS (MALAYSIA)			EARTH HOMECARE PRODUCTS (PHILIPPINES)		
	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q
	Realized*	Forecast	Realized	Realized*	Forecast	Realized	Realized*	Forecast	Realized	Realized*	Forecast	Realized
Sales	3,349	3,759	4,568	2,205	2,866	3,954	0	98	147	0	0	229
Gross profit	1,107	1,136	1,292	842	1,161	1,452	0	37	35	0	0	101
Operatig income	495	317	405	158	182	282	0	-71	-90	0	0	16
Earth Corporation (Shanghai)				Earth Corporation (Tianjin)			Earth Corporation (Suzhou)			Earth Environmental Service Co.,Ltd.		
	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q	FY21.3Q	FY22.3Q	FY22.3Q
	Realized*	Forecast	Realized	Realized*	Forecast	Realized	Realized*	Forecast	Realized	Realized*	Forecast	Realized
Sales	2,167	2,138	2,161	2,928	2,483	3,154	1,271	1,041	1,305	20,666	20,933	21,139
Gross profit	565	543	633	562	311	530	306	145	247	8,354	8,732	8,795
Operatig income	47	110	126	350	86	274	148	19	106	938	1,147	1,208

* *LFY results provided for reference purposes, calculated retroactively using the new Accounting Standard