



Earnings briefing materials for 3Q of the fiscal year ending December 2023

11/09/2023

Earth Corporation

Executive Summary



23.3Q Result

Sales : 126.7 billion yen (vs. the forecast: -2.5%; -3.23 billion yen)
Operating Income : 9.22 billion yen (vs. the forecast: -17.7%; -1.98 billion yen)

- The 3Q missed plan for the insecticides and repellents was smaller than the 2Q plan, the General Environment and Sanitation business was strong.
- Sales in the household products division, including bath salts and household masks, fell short of the plan due to changes in the market environment.
- Sales in China were down from the plan.
- Gross profit margin fell short of plan due to higher-than-expected raw material costs and a change in the sales mix.
- Expenses were operated within the forecast range.

Full Year Revision of Earnings Forecast

Revision of full-year forecasts was disclosed on 11/9

Sales : 157.5 billion yen (vs. the forecast: -1.6%; -2.5 billion yen)
Operating Income : 5.0 billion yen (vs. the forecast: -37.5%; -3.0 billion yen)

[Main reasons for the revision]

- Downward swing in household products division earnings due to changes in the external environment
- Lower effect of recovery measures implemented in the second half of the year



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Financial Result Highlights of 3Q FY 12/2023

Financial Result Highlights



(Unit: 0.1 billion JPY)

- Increased sales and profit were lower. Also, both sales and profits fell short of the plan.
- Decrease in gross profit margin due to higher-than-expected raw material prices, change in sales mix, etc.

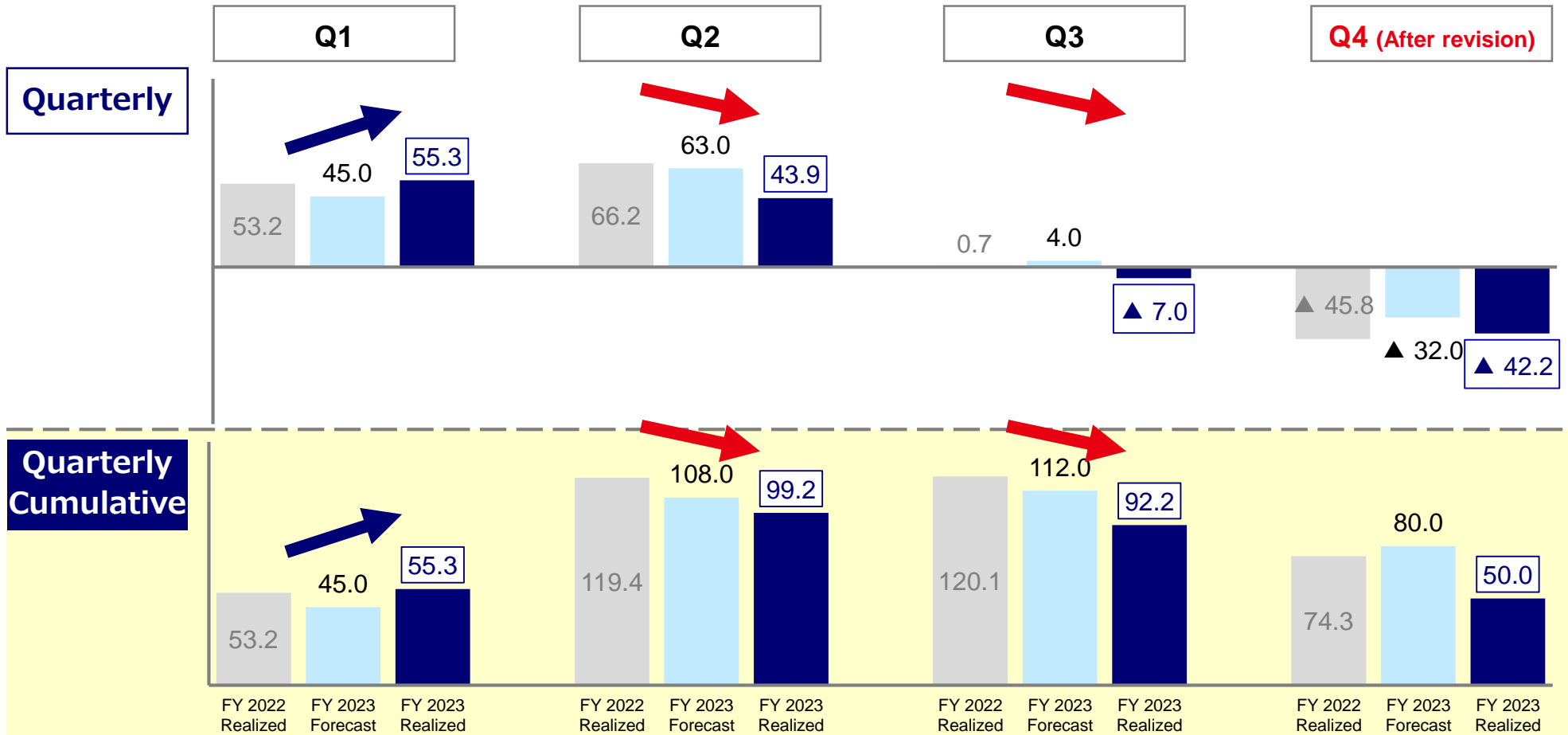
| | Realized | Vs. Forecast | YoY | Key Points of Plan Variance |
|--|--------------|-----------------|--------|---|
| Sales | 1,267 | 97.5% | 101.9% | <ul style="list-style-type: none"> • Sales of bath salts, household masks, and other products fell short due to changes in the market environment. • Sales in China decreased. |
| Gross Profit | 522.6 | 94.3% | 98.5% | <ul style="list-style-type: none"> • Gross profit margins declined due to changes in the sales mix. • The impact of higher raw material prices and energy costs on cost of sales exceeded expectations. |
| SG&A Expenses | 430.4 | 97.4% | 104.8% | <ul style="list-style-type: none"> • As of the 3Q YTD, the amount was 1.15 billion yen less than the plan. • Although including the amount postponed to Q4, it was within the plan. |
| Operating Income | 92.1 | 82.3% | 76.7% | <ul style="list-style-type: none"> • 3Q YTD: -1.98 bn yen vs. plan |
| Net Income attributable to owners of parent | 64.4 | 92.1% | 74.7% | <ul style="list-style-type: none"> • Non-operating income exceeded the plan, mainly due to foreign exchange gains. |

Progress Toward The Operating Income Target (Quarterly / Cumulative)



(Unit: 0.1 billion JPY)

- In Q2 and Q3, operating income fell short of the plan by a wider margin.

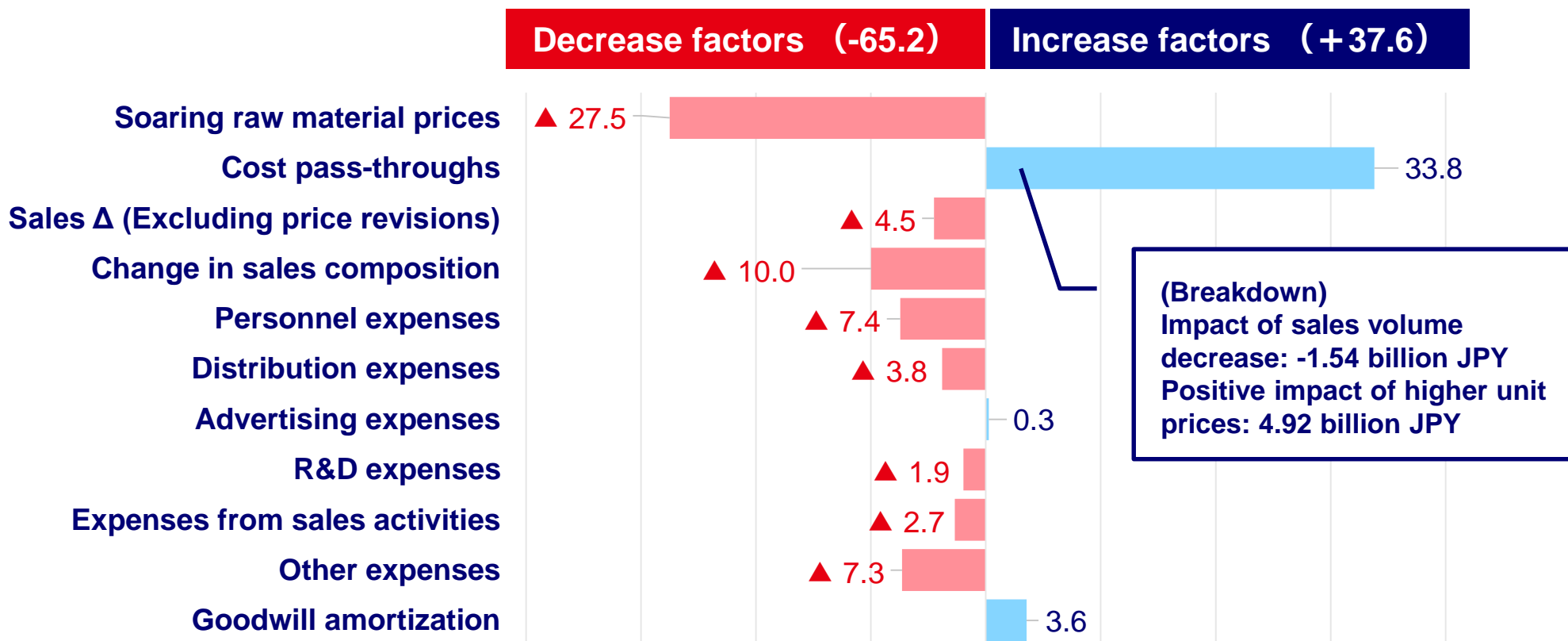


Operating Income Change Factors (YoY)



(Unit: 0.1 billion JPY)

- Although the cost pass-throughs showed some positive results, they were not enough to offset the impact of soaring raw material prices and the decline in gross profit due to changes in the sales mix.
- In addition to distribution expenses, expenses also increased due to higher personnel expenses associated with investments in human resources.

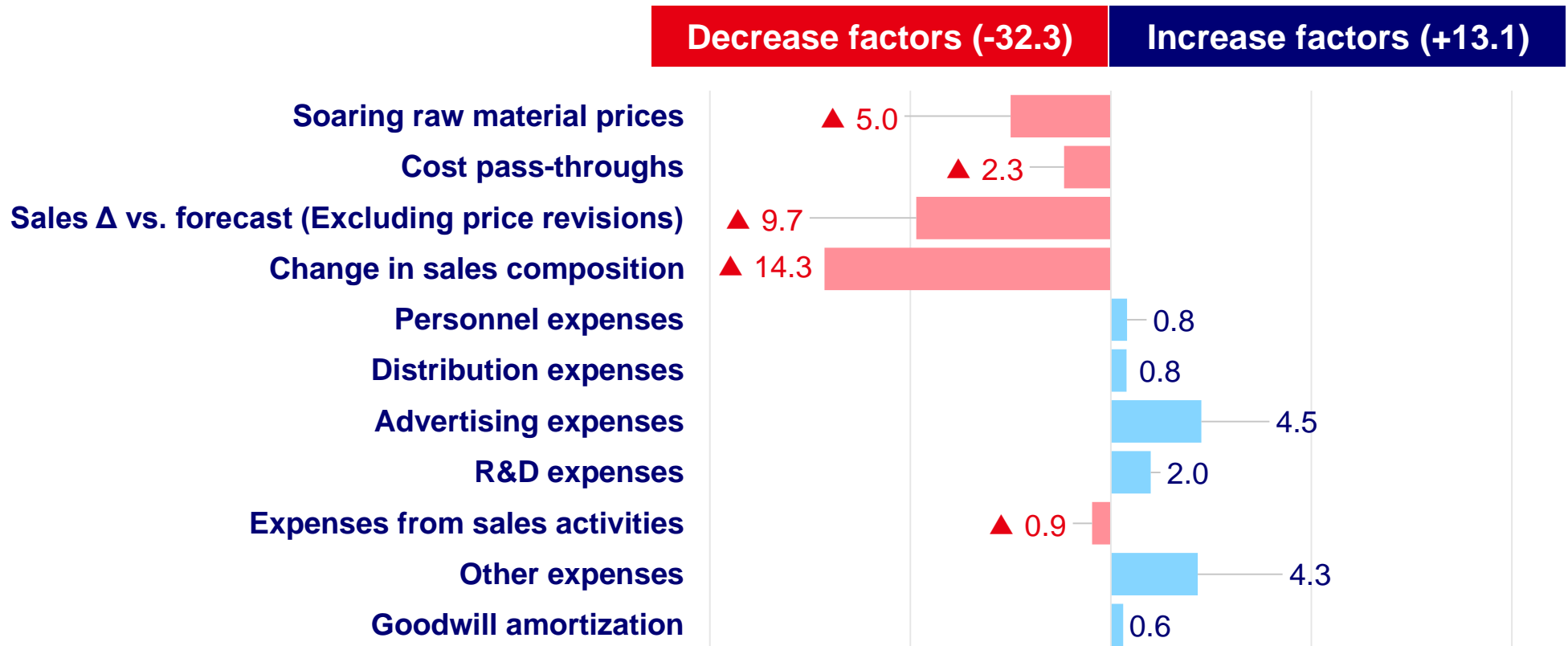


Operating Income Change Factors (Vs. Forecast)



(Unit: 0.1 billion JPY)

- The impact of price hikes in raw materials and other items exceeded initial expectations.
- The effect of the price revision measures was less than planned, and the profit margin deteriorated due to lower-than-expected sales and changes in the sales mix.
- Expenses were managed within the planned range, but operating income fell short of the plan.

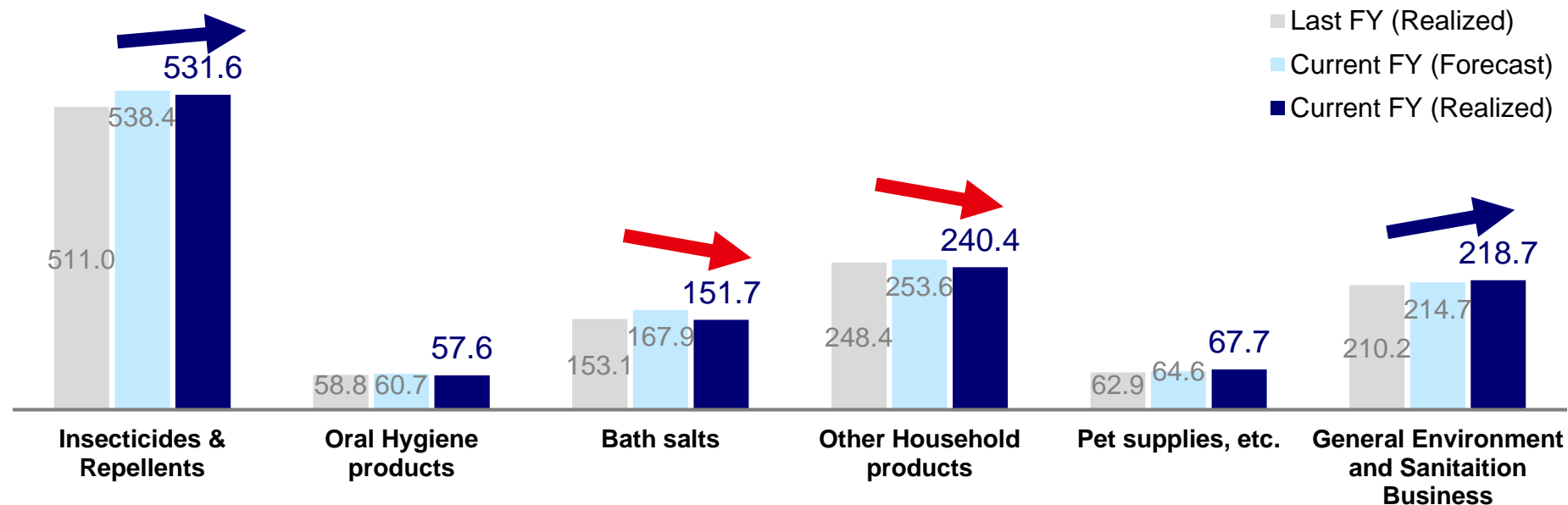


Sales By Segment

*To outside customers (excludes internal eliminations)

(Unit: 0.1 billion JPY)

- Insecticides & Repellents : Due to the upward revision of the plan in Q3, the extent of sales underachievement narrowed compared to the 2Q cumulative total.
- Household products : Oral hygiene products, bath salts, and other household goods all fell short of projections.
- General Environment & Sanitation Business : Steady progress was made.



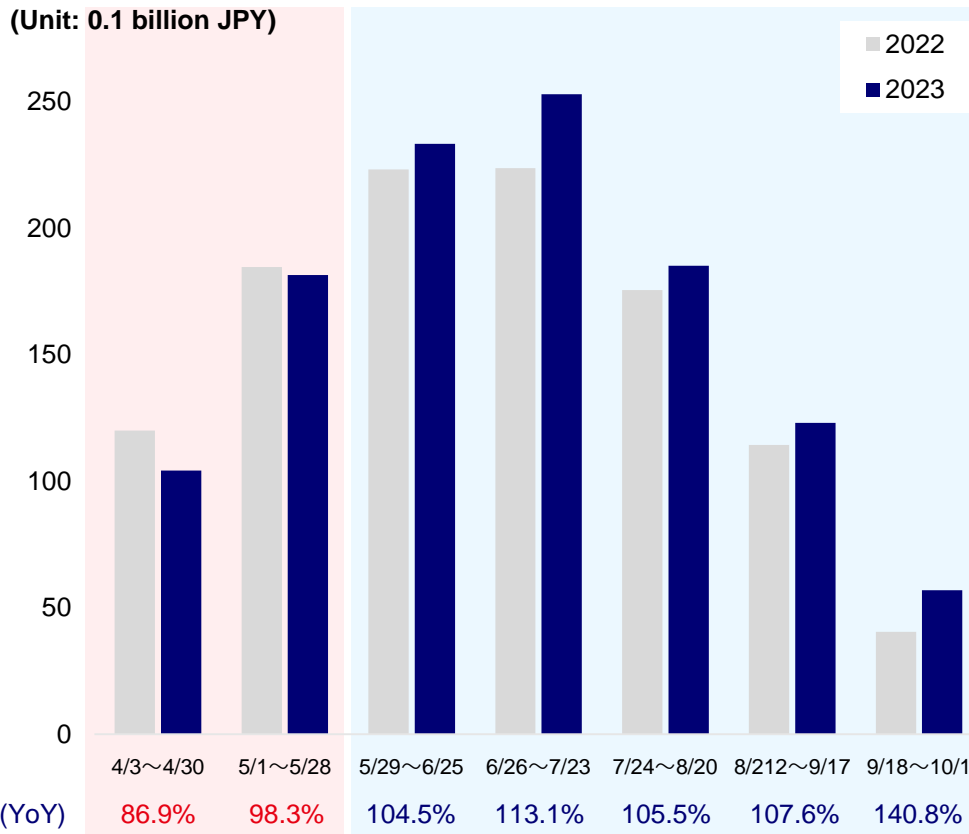
| | | | | | | |
|--------------------|-------|------|-------|-------|------|------|
| YoY diff. | +20.6 | ▲1.1 | ▲1.4 | ▲8.0 | +4.7 | +8.4 |
| Diff. vs. forecast | ▲6.7 | ▲3.0 | ▲16.2 | ▲13.1 | +3.0 | +3.9 |

Status Of The Insecticides & Repellents Segment (Domestic)



Weekly Trends in the Domestic Insect Care Products Market

- Early season sales were below the previous year's level, but recovered at the beginning of the peak season, and continued to exceed the previous year's level in the second half of the season.



Market overview & Earth Corporation's market share as of 09/30/2023

【 Market YoY 】

105.6%

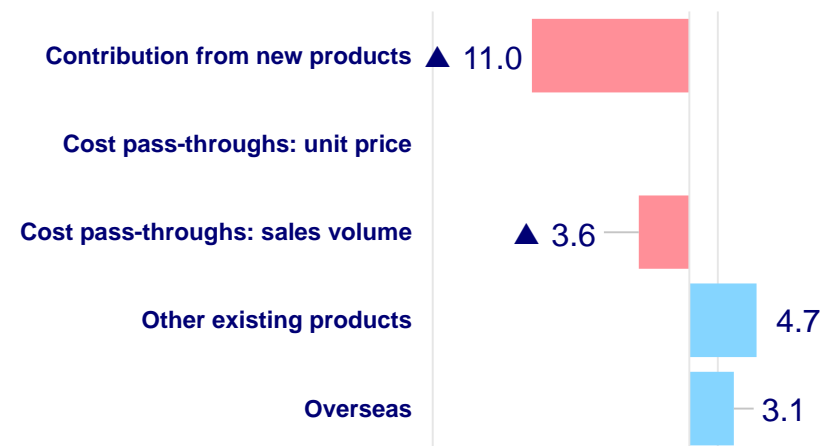
【 Market share 】

56.8% + 0.7pt

- Since July, the market has been stronger than in the previous quarter.
- The market grew mainly for cockroaches and unpleasant pests.

*To outside customers (excludes internal eliminations)

Sales change factors (vs. Forecast)



Status Of Bath Salts (Domestic)

*To outside customers (excludes internal eliminations)

Market overview & Earth Corporation's market share as of 09/30/2023

【 Market YoY 】

【 Market share 】

94.9% **44.1% ▲2.3pt**

- Demand that was boosted by COVID-19 is slowly peeling off.
- All major formulations were below the previous year's level.
- Sales for our mainstay products decreased YoY, with only products for children showing growth.

Trends in new products & BARTH

- Onpo Kids

(Includes additional items for fall)

vs. forecast **166%**



- BARTH Neutral Bicarbonated bath salts

vs. forecast **87%**



Trends in core products

- Japan's Famous Hot Spring product line

vs. forecast **86%**



- Kikiyu

vs. forecast **95%**



- Onpo

vs. forecast **87%**



- BATHCLIN / Bath Roman

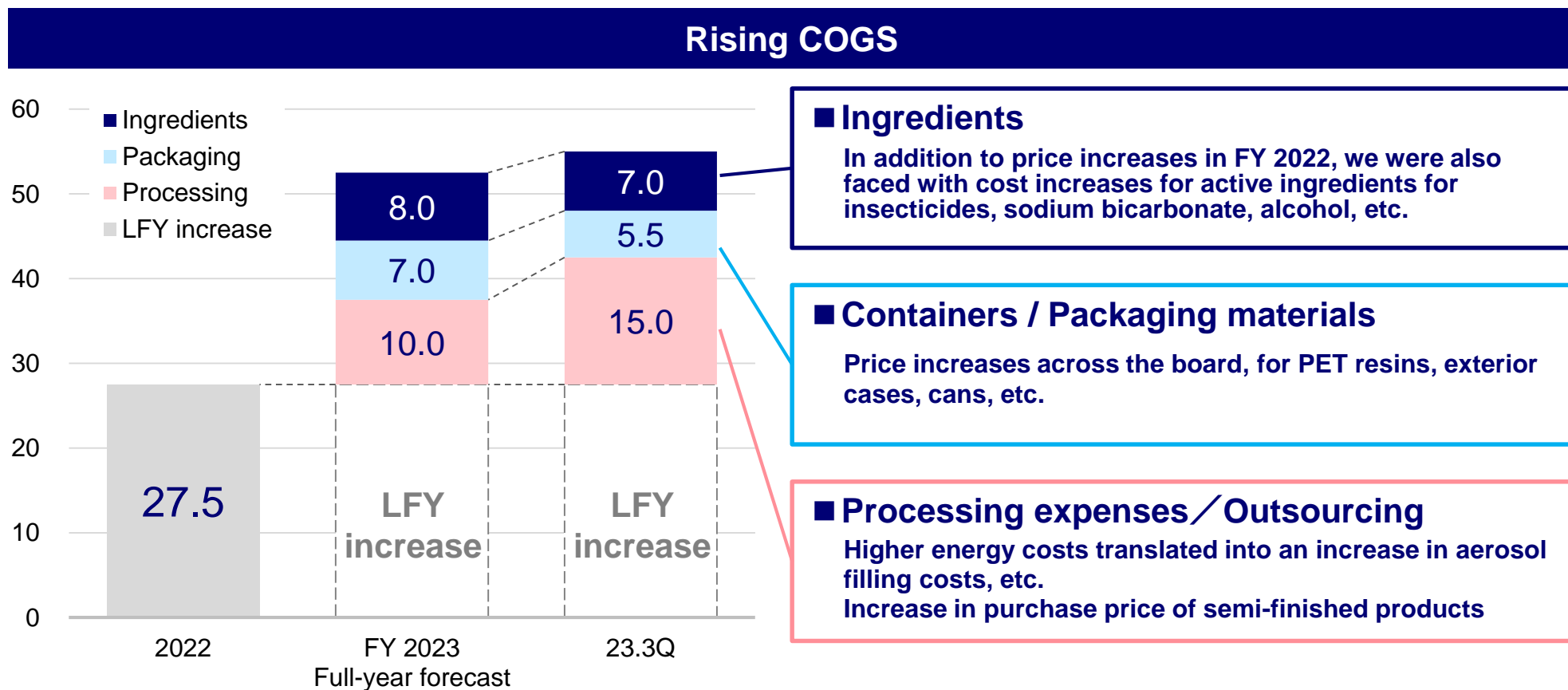
vs. forecast **87%**



COGS - Status Overview

(Unit: 0.1 billion JPY)

- The annual impact of 2.5 billion yen was 2.75 billion yen, which was more than expected in the cumulative 3Q.
- Energy cost increases and semi-finished product purchase price increases exceeded initial expectations.



SG&A Expenses - Status Overview

(Unit: 0.1 billion JPY)

- SG&A operated within plan. However, some of the unused portion will be used later in Q4.

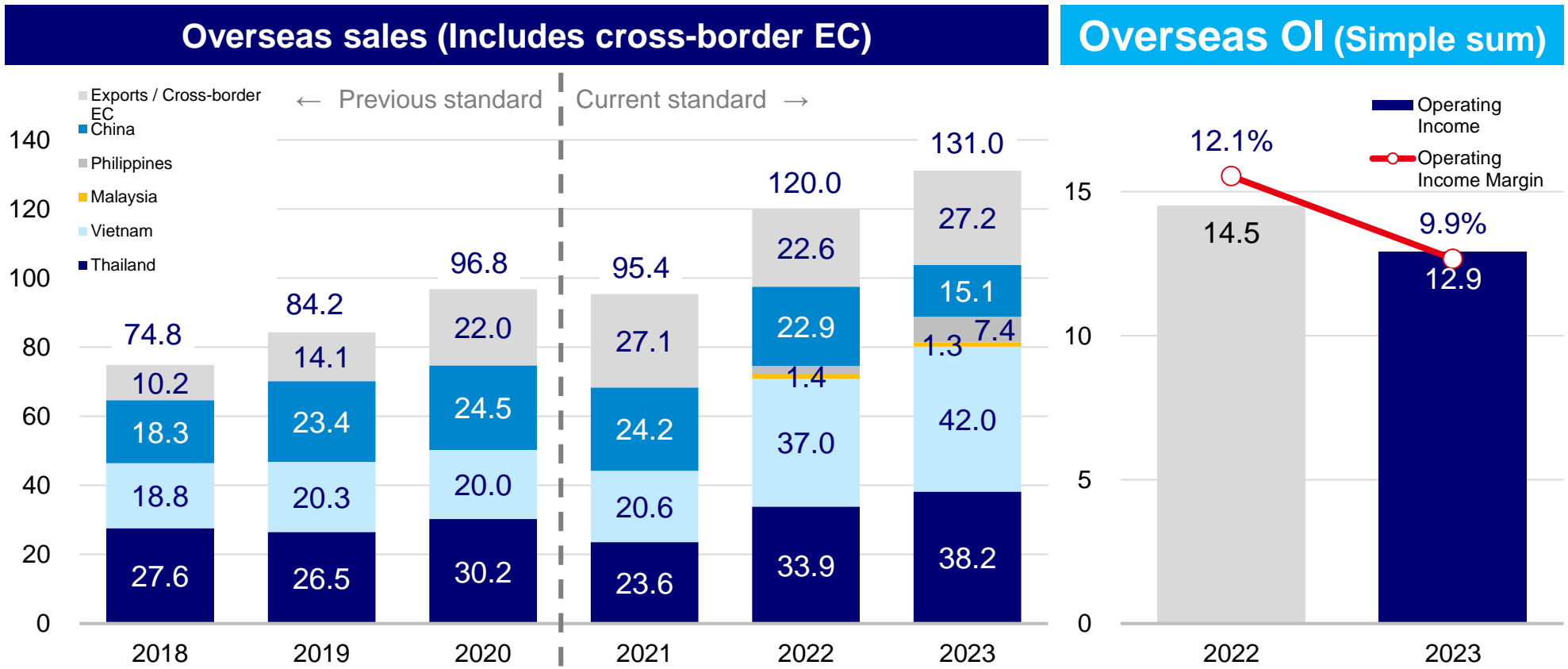
| | 3Q FY12/2022 | 3Q FY 12/2023 | 3Q FY 12/2023 | | Topics |
|----------------------------------|--------------|---------------|---------------|---------------|--|
| | Realized | Forecast | Realized | Vs. Forecast | |
| Personnel expenses | 155.0 | 163.3 | 162.5 | ▲ 0.8 | |
| Transportation costs | 34.7 | 37.2 | 35.2 | ▲ 2.0 | |
| Storage costs | 19.6 | 21.7 | 22.9 | 1.2 | |
| Advertising expenses | 55.9 | 60.1 | 55.6 | ▲ 4.5 | Postpone to Q4. Strategic investment is expected. |
| Sales promotion expenses | 7.5 | 8.6 | 8.3 | ▲ 0.2 | |
| R&D expenses | 21.5 | 25.4 | 23.4 | ▲ 1.9 | |
| Depreciation | 10.8 | 12.2 | 12.9 | 0.7 | BARTH business acquisition-related PPAs generate incoming and outgoing accounts. |
| Amortization of goodwill | 4.3 | 1.4 | 0.8 | ▲ 0.6 | |
| Travel & transportation expenses | 9.5 | 10.9 | 11.0 | 0.0 | |
| Expense account items | 3.6 | 4.0 | 4.8 | 0.8 | |
| Commissions paid | 9.4 | 12.9 | 10.9 | ▲ 1.9 | |
| Sales commissions paid | 9.8 | 10.1 | 9.3 | ▲ 0.7 | |
| Miscellaneous expenses | 6.2 | 9.9 | 6.1 | ▲ 3.7 | |
| Other | 62.8 | 64.2 | 66.7 | 2.1 | |
| Total SG&A expenses | 410.6 | 441.9 | 430.4 | ▲ 11.5 | |

Overseas Results



(Unit: 0.1 billion JPY)

- Growth was led by Thailand (105% y-o-y in local currency terms) and Vietnam (112% y-o-y in local currency terms).
- China (65% y-o-y in local currency terms) was affected by poor sales in EC.





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Revision of Full-Year Financial Results Forecasts

Revision of Full-Year Financial Results Forecasts



(Unit: 0.1 billion JPY)

- Considering the current situation, the company announced a downward revision to its consolidated full-year forecasts on 11/9.
- The downward revision was mainly due to lower-than-planned sales and gross profit in the household goods division.

| | 2023 Forecast | 2023 Revision | Diff. | Factors of Difference from Forecast | 2022 Realized |
|---|---------------|---------------|-------|---|---------------|
| Sales | 1,600 | 1,575 | ▲ 25 | • Household goods division failed to achieve its plan | 1,523 |
| Gross Profit | 665.0 | 625.0 | ▲ 40 | • Sales Plan Missed and Sales Mix Change • Higher-than-expected price hikes of raw materials, etc. | 624.6 |
| SG&A Expenses | 585.0 | 575.0 | + 10 | • Operate within the plan | 550.3 |
| Operating Income | 80.0 | 50.0 | ▲ 30 | | 74.3 |
| Ordinary income | 83.0 | 55.0 | ▲ 28 | | 81.3 |
| Net Income attributable to owners of parent | 54.0 | 30.0 | ▲ 24 | | 53.0 |

Main factors in the revision of the full-year earnings forecast



(Unit: 0.1 billion JPY)

| Contents | Diff. | Point |
|---|------------|--|
| <ul style="list-style-type: none"> Domestic : Household goods sales and gross profit not achieved the plan. | -37 | <ul style="list-style-type: none"> Bath Salts : -20 Market falls short of expectations (Expected to be 95% of YOY) , Share down (-2.3 pt YoY) Unachieved sales plan and raw material price hikes are expected to have a greater-than-expected impact Oral Hygiene products : -5 Market falls short of expectations (Expected to be 96% of YOY) , Share down (-0.5 pt YoY) The impact of raw material price hikes has been greater than expected. Profitability is deteriorating due in part to changes in the sales mix. Other Household products (Residential detergent, household masks, etc.) : -7 Impacted by missed sales plan and higher cost of sales ratio Others : -5 Recognition of expenses associated with reduction of excess inventory with an eye to the future, etc. |
| <ul style="list-style-type: none"> Gross profit from China operations missed plan | -3 | <ul style="list-style-type: none"> Overall overseas business was generally favorable, including ASEAN, exports, and cross-border business. EC channel sales at the Chinese subsidiary were sluggish, and inventory in the market increased. |
| <ul style="list-style-type: none"> Gross profit missed plan | -40 | |
| <ul style="list-style-type: none"> Expense Control | +10 | <ul style="list-style-type: none"> Personnel expenses : +2.5、Transportation costs : +1.5、Advertising expenses : +1.0、repair expense : +1.0、Miscellaneous expenses : +2.5,etc. |
| <ul style="list-style-type: none"> Total | -30 | |

Difference from what was expected at the time of 2Q results presentation



(Unit: 0.1 billion JPY)

| Contents | Diff. from plan | Revised estimate | Diff. | Point |
|---|-----------------|------------------|-------|---|
| As of 2Q cumulative total, amount of operating income not yet achieved | -8.8 | -8.8 | - | |
| • recovery plan1; Insect Care Products Profit Up from 2H Plan | +2.0 | +8.2 | +6.2 | • Increase in shipments and decrease in returns due to favorable market conditions in 2H |
| • recovery plan2; Additional Cost Pass-troughs | +4.0 | 0.0 | -4.0 | • Price revision of "OnpoWarm Foam" and "Mondamine Premium Care" had little effect. |
| • recovery plan3; Release New Fall Season Products / Execute Product Renewals | +2.0 | 0.0 | -2.0 | • New products launched in the fall season and renewed products have minimal effect on profit contribution. |
| • recovery plan4; Keep expenses under control (only Earth corp.) | +3.0 | -4.0 | -7.0 | • Postponement of unused portion in 1H and strategic use in 2H |
| • Risk of group companies not achieving plans | -2.0 | -9.8 | -7.8 | • Unplanned achievement wider than originally expected |
| • Total difference in planned OI at the end of the period after recovery programs | +0.2 | -14.4 | -14.6 | |
| • (only Earth corp.) Downward revision of profit plan for household goods, etc. | - | -10.0 | -10.0 | • Failure to achieve sales of bath salts, oral hygiene, household detergents, etc. • Impact of higher-than-expected cost increases |
| • (only Earth corp.) Expense recorded for reduction of excess inventory | - | -5.0 | -5.0 | • Cost of disposal and sale of inventory |
| • Other | - | -0.6 | -0.6 | |
| Accumulated OI not reached at the end of the period | | -30.0 | -30.2 | |

Future measures

- **Measures for IR communication: Enhancement of content explanation regarding risk factors**
 - Improved probability through performance estimates that include risk scenarios
- **Measures to be taken in the business: to be explained in detail in the next mid-term management plan.**
 - To be announced in February 2024, including forecast figures for the next fiscal year.



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**Supplementary Materials;
FY12/2023 Q3 Results**

Consolidated: Statement of Income



(Unit : million JPY)

| | Q3 FY12/22 | Q3 FY12/23 | Q3 FY12/23 | YoY | vs.FCT | FY12/23 | |
|--|------------|------------|------------|---------|---------|-------------------|--------|
| | Realized | Forecast | Realized | | | Original forecast | YoY |
| Sales | 124,445 | 130,000 | 126,769 | 101.9% | 97.5% | 160,000 | 79.2% |
| Cost of sales | 71,362 | 74,603 | 74,505 | 104.4% | 99.9% | 93,500 | 79.7% |
| Gross profit | 53,083 | 55,396 | 52,263 | 98.5% | 94.3% | 66,500 | 78.6% |
| SG&A expenses | 41,069 | 44,196 | 43,046 | 104.8% | 97.4% | 58,500 | 73.6% |
| Operating profit | 12,013 | 11,200 | 9,217 | 76.7% | 82.3% | 8,000 | 115.2% |
| Non-operating income | 920 | 400 | 810 | 88.1% | 202.6% | 600 | 135.1% |
| Non-operating expenses | 33 | 200 | 83 | 250.2% | 41.8% | 300 | 27.9% |
| Ordinary profit | 12,899 | 11,400 | 9,944 | 77.1% | 87.2% | 8,300 | 119.8% |
| Extraordinary income | 25 | 0 | 10 | 41.3% | | 0 | |
| Extraordinary losses | 80 | 50 | 186 | 232.8% | 373.8% | 80 | 233.6% |
| Net income before income taxes | 12,845 | 11,350 | 9,767 | 76.0% | 86.1% | 8,220 | 118.8% |
| Income taxes | 3,901 | 4,050 | 3,018 | 77.4% | 74.5% | 2,483 | 121.6% |
| Net income | 8,944 | 7,300 | 6,749 | 75.5% | 92.5% | 5,736 | 117.6% |
| Net income attributable to non-controlling interests | 308 | 300 | 301 | 97.4% | 100.3% | 336 | 89.3% |
| Net income attributable to owners of parent | 8,635 | 7,000 | 6,448 | 74.7% | 92.1% | 5,400 | 119.4% |
| Gross profit ratio | 42.7% | 42.6% | 41.2% | ▲ 1.4pt | ▲ 1.4pt | 41.6% | |
| Operating income ratio | 9.7% | 8.6% | 7.3% | ▲ 2.4pt | ▲ 1.3pt | 5.0% | |
| Net income before income taxes ratio | 10.3% | 8.7% | 7.7% | ▲ 2.6pt | ▲ 1.0pt | 5.1% | |

Consolidated: Sales by Segment



(Unit : million JPY)

| | Q3 FY12/22 | Q3 FY12/23 | Q3 FY12/23 | YoY | vs.FCT | FY12/23 | |
|--|------------|------------|------------|--------|--------|-------------------|---------------|
| | Realized | Forecast | Realized | | | Original forecast | Progress rate |
| Insecticides & Repellents | 56,517 | 57,810 | 57,248 | 101.3% | 99.0% | 61,713 | 92.8% |
| Oral hygiene products | 5,910 | 6,091 | 5,799 | 98.1% | 95.2% | 8,442 | 68.7% |
| Bath salts | 17,519 | 18,739 | 17,035 | 97.2% | 90.9% | 28,518 | 59.7% |
| Other household products | 26,300 | 26,609 | 25,130 | 95.6% | 94.4% | 34,016 | 73.9% |
| Household products | 49,730 | 51,440 | 47,965 | 96.5% | 93.2% | 70,977 | 67.6% |
| Pet products & others | 6,718 | 7,367 | 7,414 | 110.4% | 100.6% | 9,465 | 78.3% |
| Household products business subtotal | 112,966 | 116,619 | 112,628 | 99.7% | 96.6% | 142,156 | 79.2% |
| General environment & sanitation business subtotal | 21,139 | 21,575 | 21,992 | 104.0% | 101.9% | 28,500 | 77.2% |
| Total sales include internal sales | 134,105 | 138,194 | 134,620 | 100.4% | 97.4% | 170,656 | 78.9% |
| (Adjustments) | ▲ 9,660 | ▲ 8,194 | ▲ 7,851 | | | ▲ 10,656 | |
| Total sales | 124,445 | 130,000 | 126,769 | 101.9% | 97.5% | 160,000 | 79.2% |

(Composition ratio)

| | | | | | | |
|---|-------|-------|-------|---------|---------|-------|
| Insecticides & Repellents | 42.1% | 41.8% | 42.5% | 0.4pt | 0.7pt | 36.2% |
| Household products | 37.1% | 37.2% | 35.6% | ▲ 1.5pt | ▲ 1.6pt | 41.6% |
| Pet products & others | 5.0% | 5.3% | 5.5% | 0.5pt | 0.2pt | 5.5% |
| Household products business | 84.2% | 84.4% | 83.7% | ▲ 0.6pt | ▲ 0.7pt | 83.3% |
| General environment & sanitation business | 15.8% | 15.6% | 16.3% | 0.6pt | 0.7pt | 16.7% |

Operating Income Change Factors (YoY)



(Unit : million JPY)

| <u>12,013</u> | FY12/22.Q3 (Realized) | <Breakdown> | |
|---------------|---|---|--------|
| -2,795 | Decrease in gross profit -820 | • Effect of revenue increase (excluding the effect of price pass-through) | -452 |
| | | • Price shifting effect | +3,381 |
| | | • Change in sales mix | -998 |
| | | • Impact of raw material prices and exchange rate fluctuations | -2,750 |
| | Increase in SG&A expenses -1,977 | • Increase in personnel expenses | -744 |
| | | • Increase in distribution expenses | -380 |
| | | • Decrease in advertising expenses | +26 |
| | | • Increase in sales promotion expenses (other than sales deductions) | -81 |
| | | • Costs of travel & transportation expenses, other activities | -270 |
| | | • Amortization of goodwill | +355 |
| | • Others (Commission paid, Depreciation paid, etc.) | -883 | |
| <u>9,217</u> | FY12/23.Q3 (Realized) | | |

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

Operating Income Change Factors (vs. Forecast)



(Unit : million JPY)

| <u>11,200</u> FY12/23.Q3 (Forecast) | | <Breakdown> | |
|---|--|--|--------|
| <div style="border: 1px solid #ccc; padding: 10px; width: 100px; margin: 0 auto;"> <div style="border-bottom: 1px solid #ccc; padding-bottom: 5px;">11,200</div> <div style="padding: 10px 0 10px 10px;">-1,983</div> <div style="border-top: 1px solid #ccc; padding-top: 5px;">9,217</div> </div> | Gross profit below the forecast | • Sales plan achieved (excluding the impact of price pass-through) | -974 |
| | -3,133 | • Price shift effect | -234 |
| | SG&A expenses within budget | • Change in sales mix | -1,429 |
| | +1,212 | • Impact of raw material prices and exchange rate fluctuations | -500 |
| | • Personnel expenses below the forecast | +81 | |
| | • Distribution expenses below the forecast | +78 | |
| | • Unspent advertising expenses (including backdated timing of use) | +452 | |
| | • Unspent R&D expenses (including backdated timing of use) | +199 | |
| | • Costs of travel & transportation expenses, other activities | -93 | |
| | • Amortization of goodwill | +62 | |
| • Others | +433 | | |
| <u>9,217</u> FY12/23.Q3 (Realized) | | +: Factors contributing to higher earnings, -: Factors contributing to lower earnings | |

Consolidated: SG&A Expenses



(Unit : million JPY)

| | Q3 FY12/22 | | Q3 FY12/23 | | Q3 FY12/23 | | FY12/23 | |
|--------------------------------|---------------|---------------|---------------|---------------|--------------|-------------------|---------------|--|
| | Realized | Forecast | Realized | YoY | vs.FCT | Original forecast | Progress rate | |
| Personal expenses | 15,507 | 16,332 | 16,251 | 104.8% | 99.5% | 21,795 | 74.6% | |
| Shipping expenses | 3,476 | 3,723 | 3,520 | 101.3% | 94.5% | 4,821 | 73.0% | |
| Strage expenses | 1,963 | 2,174 | 2,299 | 117.1% | 105.7% | 2,793 | 82.3% | |
| Advertising expenses | 5,593 | 6,019 | 5,567 | 99.5% | 92.5% | 7,452 | 74.7% | |
| Sales promotion expenses | 751 | 862 | 832 | 110.8% | 96.5% | 1,071 | 77.7% | |
| R&D expenses | 2,152 | 2,545 | 2,346 | 109.0% | 92.2% | 3,821 | 61.4% | |
| Depreciation expenses | 1,089 | 1,221 | 1,299 | 119.3% | 106.4% | 1,653 | 78.6% | |
| Goodwill amortization | 439 | 146 | 84 | 19.1% | 57.5% | 14 | 600.0% | |
| Travel&transportation expenses | 953 | 1,095 | 1,103 | 115.7% | 100.7% | 1,456 | 75.8% | |
| Entertainment expenses | 365 | 400 | 485 | 132.9% | 121.3% | 532 | 91.2% | |
| Comission paid | 941 | 1,291 | 1,094 | 116.3% | 84.7% | 1,653 | 66.2% | |
| Sales comission | 980 | 1,015 | 938 | 95.7% | 92.4% | 1,405 | 66.8% | |
| Miscellaneous expenses | 626 | 992 | 613 | 97.9% | 61.8% | 1,743 | 35.2% | |
| Others | 6,234 | 6,381 | 6,615 | 106.1% | 103.7% | 8,291 | 79.8% | |
| Total | 41,069 | 44,196 | 43,046 | 104.8% | 97.4% | 58,500 | 73.6% | |
| (Composition ratio) | | | | | | | | |
| Personal expenses ratio | 17.4% | 17.5% | 18.0% | 0.6pt | 0.5pt | 13.6% | | |
| Advertising expenses ratio | 6.3% | 6.4% | 6.2% | ▲ 0.1pt | ▲ 0.3pt | 4.7% | | |
| R&D expenses ratio | 2.4% | 2.7% | 2.6% | 0.2pt | ▲ 0.1pt | 2.4% | | |

Consolidated: Balance Sheet



(Unit : million JPY)

| | | End of FY2022 | End of Q3 FY2023 | Final comparison +/- | End of Q3 FY2022 | vs.FY22 Q3 +/- |
|--------------------------|--|------------------|---------------------|-------------------------|---------------------|-------------------|
| Current assets | Cash & deposits | 14,772 | 18,969 | 4,196 | 25,322 | ▲ 6,352 |
| | Trade receivable | 24,163 | 30,124 | 5,960 | 27,414 | 2,709 |
| | Inventories | 32,253 | 30,077 | ▲ 2,175 | 29,351 | 725 |
| | Others | 2,772 | 2,721 | ▲ 51 | 3,105 | ▲ 383 |
| Non-current assets | Property, plant & equipment | 29,483 | 31,206 | 1,722 | 28,882 | 2,323 |
| | Intangible assets | 5,355 | 8,798 | 3,443 | 4,868 | 3,930 |
| | Investments & other assets | 15,688 | 18,338 | 2,650 | 15,995 | 2,343 |
| Total assets | | 124,489 | 140,236 | 15,746 | 134,940 | 5,295 |
| Current liabilities | Trade payables | 35,525 | 32,922 | ▲ 2,603 | 36,467 | ▲ 3,545 |
| | Short-term borrowings | 2,200 | 5,480 | 3,280 | 1,960 | 3,520 |
| | Others | 15,615 | 26,067 | 10,451 | 22,783 | 3,283 |
| Non-current liabilities | Long-term borrowings | 0 | 0 | 0 | 480 | ▲ 480 |
| | Others | 3,129 | 2,291 | ▲ 838 | 1,957 | 334 |
| Total liabilities | | 56,470 | 66,760 | 10,290 | 63,648 | 3,112 |
| Net assets | Total shareholders' equity | 59,631 | 63,761 | 4,130 | 62,963 | 798 |
| | Total accumulated other comprehensive income | 3,163 | 4,406 | 1,243 | 3,482 | 924 |
| | Non-controlling interests | 5,224 | 5,307 | 83 | 4,846 | 460 |
| Total net assets | | 68,018 | 73,475 | 5,456 | 71,292 | 2,183 |

Consolidated: Capital expenditure, Depreciation expenses

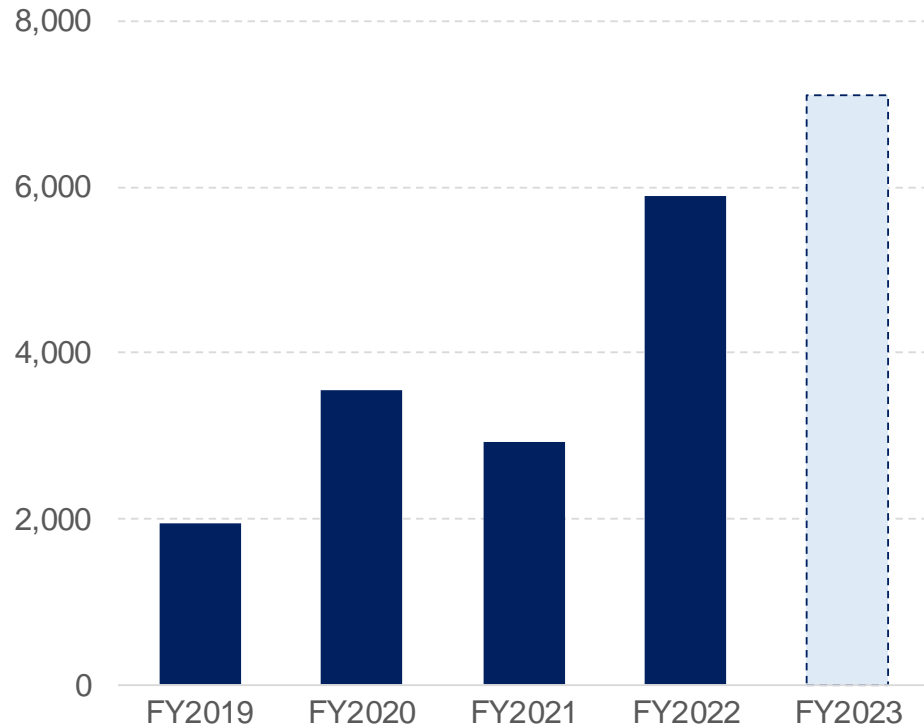


(Unit : million JPY)

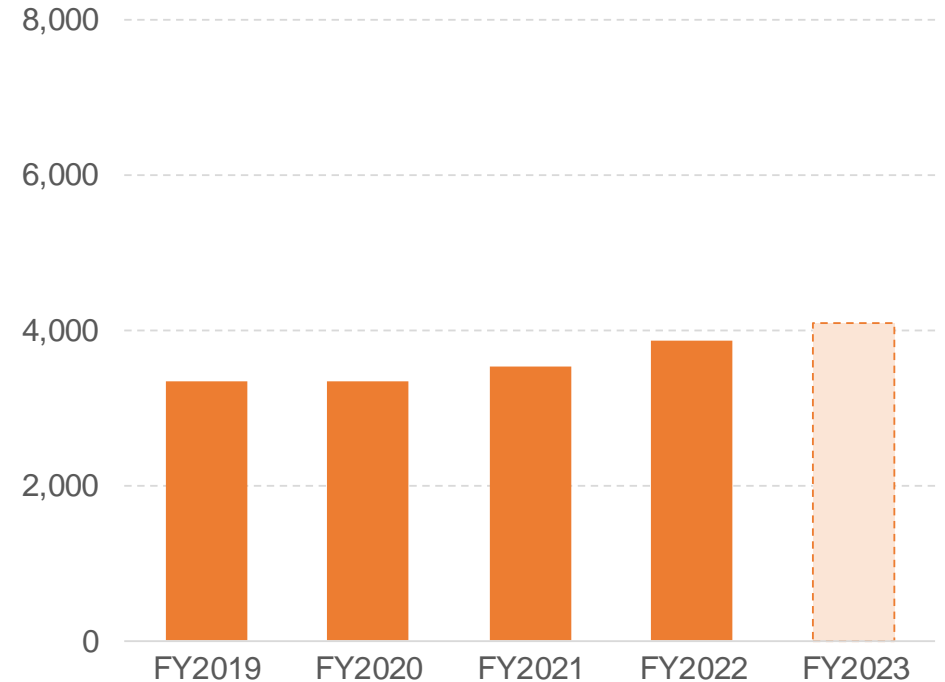
| | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|-------|----------|----------|----------|----------|----------|
| | Realized | Realized | Realized | Realized | Forecast |
| CAPEX | 1,953 | 3,548 | 2,928 | 5,878 | 7,100 |

| | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|-----------------------|----------|----------|----------|----------|----------|
| | Realized | Realized | Realized | Realized | Forecast |
| Depreciation expenses | 3,334 | 3,334 | 3,537 | 3,853 | 4,100 |

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.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 |
| | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized |
| Sales | 67,340 | 72,118 | 68,858 | 10,900 | 11,382 | 10,638 | 14,249 | 15,084 | 13,256 | 4,953 | 5,253 | 5,188 |
| Gross profit | 28,876 | 30,866 | 28,225 | 4,566 | 4,582 | 4,057 | 4,726 | 4,688 | 4,481 | 1,948 | 2,002 | 1,854 |
| Operatig income | 8,390 | 8,220 | 6,253 | 725 | 685 | 125 | 840 | 448 | 615 | 406 | 173 | 130 |
| Earth(Thailand)Co.,Ltd. | | | | Earth Corporation Vietnam | | | EARTH HOME PRODUCTS (MALAYSIA) | | | EARTH HOMECARE PRODUCTS (PHILIPPINES) | | |
| | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 |
| | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized |
| Sales | 4,568 | 4,585 | 4,926 | 3,954 | 4,089 | 4,482 | 147 | 225 | 130 | 229 | 690 | 740 |
| Gross profit | 1,292 | 1,332 | 1,505 | 1,452 | 1,585 | 1,859 | 35 | 59 | 17 | 101 | 286 | 366 |
| Operatig income | 405 | 307 | 501 | 282 | 351 | 458 | -90 | -104 | -118 | 16 | 10 | 73 |
| Earth Corporation (Shanghai) | | | | Earth Corporation (Tianjin) | | | Earth Corporation (Suzhou) | | | Earth Environmental Service Co.,Ltd. | | |
| | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 | FY22.Q3 | FY23.Q3 | FY23.Q3 |
| | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized | Realized | Forecast | Realized |
| Sales | 2,161 | 2,201 | 1,324 | 3,154 | 2,398 | 2,274 | 1,305 | 1,011 | 807 | 21,139 | 21,575 | 21,992 |
| Gross profit | 633 | 551 | 290 | 530 | 339 | 406 | 247 | 162 | 112 | 8,795 | 8,858 | 8,908 |
| Operatig income | 126 | 55 | -253 | 274 | 65 | 141 | 106 | 21 | -14 | 1,208 | 1,173 | 1,304 |



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.