

Consolidated Financial Results
for the Nine Months Ended September 30, 2024 (Japanese GAAP)

November 11, 2024

Company name: Earth Corporation
Stock code: 4985

Listing Stock Exchange: Tokyo
URL: <https://corp.earth.jp/en/index.html>

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Scheduled date for dividend payment: —
Preparation of supplemental explanatory materials: Yes
Results briefing to be held: Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2024
(January 1, 2024 to September 30, 2024)

(1) Consolidated operating results

(Percentages indicate YoY change)

| | Sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|--------------------------------------|-------------|-----|------------------|--------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended September 30, 2024 | 134,858 | 6.4 | 10,685 | 15.9 | 11,045 | 11.1 | 7,236 | 12.2 |
| Nine months ended September 30, 2023 | 126,769 | 1.9 | 9,217 | (23.3) | 9,944 | (22.9) | 6,448 | (25.3) |

Note: Comprehensive income for the nine months ended September 30, 2024 was 8,211 million yen (2.6%), and comprehensive income for the nine months ended September 30, 2023 was 8,006 million yen (-19.9%)

| | Net income per share | Diluted net income per share |
|--------------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Nine months ended September 30, 2024 | 328.66 | — |
| Nine months ended September 30, 2023 | 291.76 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| Nine months ended September 30, 2024 | 141,491 | 75,704 | 49.6 |
| Fiscal year ended December 31, 2023 | 132,407 | 72,000 | 50.3 |

Reference: Equity capital amounted to 70,113 million yen as of September 30, 2024 and 66,546 million yen as of December 31, 2023.

2. Dividends

| | Dividend per share | | | | |
|---|--------------------|-------------|-----------|---------------|---------------|
| | End of Q1 | End of Q2 | End of Q3 | Year-end | Total |
| Fiscal year ended December 31, 2023 | Yen — | Yen 0.00 | Yen — | Yen 118.00 | Yen 118.00 |
| Fiscal year ending December 31, 2024 | — | 0.00 | — | | |
| Fiscal year ending December 31, 2024 (forecast) | | | | 120.00 | 120.00 |

Note: No revisions have been made to the Company's most recently announced dividend forecast.

3. Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(Percentages indicate YoY change)

| | Sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|-----------|-------------|-----|------------------|-------|-----------------|-------|---|--------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full-year | 168,000 | 6.1 | 6,000 | (5.8) | 6,550 | (3.5) | 3,300 | (19.6) | 150.29 |

Note: Revisions have been made to the Company's most recently announced consolidated earnings forecast.

*Notes

(1) Changes in the scope of consolidation during the period under review: None
Newly subsidiaries added: None
Subsidiaries excluded: None

(2) Distinctive accounting methods applied when preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates and retrospective restatements

1. Accounting policy changes due to accounting standard revisions, etc.: None
2. Other accounting policy changes: None
3. Changes in accounting estimates: None
4. Retrospective restatements: None

(4) Number of shares outstanding (common stock)

| | | | | |
|---|--|------------|--|------------|
| 1. Shares outstanding (including treasury stock) | As of September 30, 2024 | 22,209,900 | As of December 31, 2023 | 22,141,100 |
| 2. Treasury shares outstanding | As of September 30, 2024 | 432,270 | As of December 31, 2023 | 14,296 |
| 3. Cumulative average number of shares | Nine months ended September 30, 2024 | 22,018,446 | Nine months ended September 30, 2023 | 22,101,526 |

*The quarterly consolidated financial statements included in the report are not subject to review by certified public accountants or auditing firms.

*Appropriate use of earnings forecast and other special notes

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors. For more information regarding assumptions made when formulating earnings projections and matters to note when using these projections, please see "1. Qualitative Information on Quarterly Financial Performance (3) Explanation of Consolidated Earnings Forecasts and Other Projections" on page five of the accompanying materials.

(Method of obtaining earnings briefing materials and briefing details)

The Company plans to hold an earnings briefing on Monday, November 11, 2024, for institutional investors and analysts. We will upload earnings briefing materials to be used during the briefing session to the TDnet and our official website on Monday, November 11. Further, we will promptly post the details of the briefing on our website after it is held.

Accompanying Materials — Contents

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Operating Results

During the nine months ended September 30, 2024 (January 1, 2024–September 30, 2024), the outlook for the Japanese economy remained uncertain due to rising prices, volatile foreign exchange rates, and the ongoing review of monetary policies.

Under these circumstances, with the slogan of “Our Group Working Together Toward a Bright Tomorrow for EARTH,” the Earth Group managed its operations in line with the medium-term business plan through FY2026, dubbed “Act for SMILE COMPASS 2026.” Under the medium-term business plan, we have positioned profit and cash flow generation (profitability improvement) as our topmost priority, and to achieve this goal, we intend to bolster profitability by restructuring the domestic business and strengthening the brand power of our household products. At the same time, we aim to expand overseas sales, with the development of the Asian market through local subsidiaries and the export business to the Middle East as growth drivers.

In the nine months ended September 30, 2024, sales amounted to 134,858 million yen (+6.4% year-on-year). While sales of bath salts in the Household Products Business continued to decline due to the persistently challenging competitive environment, sales of products in the Insecticides and Repellents category remained robust, owing to favorable weather conditions in Japan. Sales were further buoyed by continued growth in the overseas business and the General Environment and Sanitation Business. On the profit front, an increase in gross profit driven by sales growth more than offset the prolonged impact of soaring raw material prices, as well as higher personnel and advertising expenses. As a result, operating income totaled 10,685 million yen (+15.9% year-on-year), ordinary income 11,045 million yen (+11.1% year-on-year), and net income attributable to owners of parent 7,236 million yen (+12.2% year-on-year).

Results by segment are as follows.

[Household Products Business]

In the Household Products Business, in efforts to reform our earnings structure based on the medium-term business plan, we streamlined and optimized brands and SKUs with a focus on profitability and earnings potential. We also advanced initiatives aimed at strengthening our brands and expanding the market. Overseas, we directed efforts to actively expanding in the ASEAN region and China and growing the export business, among other initiatives.

In the nine months ended September 30, 2024, segment sales totaled 119,842 million yen (+6.4% year-on-year). The sales growth was attributed to contributions from new products in the Insecticides and Repellents category, the emerging effects of price revisions, and higher sales in ASEAN and China, as well as in the export business, despite the persistently challenging business environment surrounding bath salts. In terms of profit, an increase in gross profit backed by sales growth offset the impact of soaring raw material prices—an ongoing issue since the previous fiscal year—and higher advertising expenses, resulting in segment income (operating income) of 9,141 million yen (+20.5% year-on-year).

(Household Products segment results)

(Millions of yen)

| | Consolidated Q3 results for the fiscal year ended December 31, 2023 | Consolidated Q3 results for the fiscal year ending December 31, 2024 | YoY change (amount) | YoY change (percent) |
|-----------------------------------|---|--|------------------------|-------------------------|
| Insecticides and Repellents | 57,248 | 62,827 | 5,578 | 9.7% |
| Household products | 47,965 | 48,156 | 190 | 0.4% |
| Oral hygiene products | 5,799 | 6,008 | 209 | 3.6% |
| Bath salts | 17,035 | 15,929 | (1,105) | (6.5%) |
| Other household products | 25,130 | 26,217 | 1,087 | 4.3% |
| Pet products and others | 7,414 | 8,859 | 1,445 | 19.5% |
| Total sales | 112,628 | 119,842 | 7,214 | 6.4% |
| Segment income (operating income) | 7,586 | 9,141 | 1,555 | 20.5% |

Note: Sales include internal sales and transfers made within and between segments, which amounted to 7,727 million yen during Q3 of the fiscal year ended December 31, 2023 and 9,010 million yen during Q3 of the fiscal year ending December 31, 2024.

Results by product category are as follows.

Insecticides and Repellents

In Japan, the market for insecticides and repellents expanded year-on-year, supported by favorable weather conditions that continued from the beginning of the year through well beyond July, along with an extended period of lingering summer heat, as in the previous fiscal year. Backed by this market expansion, shipments of pest control products targeting cockroaches, mites, and other pests remained solid, and sales of products newly launched during the fiscal year—*Gokishu!* and *Zeronite One-Push Spray for Cockroaches and Bed Bugs*—were robust. Revised selling prices also contributed to sales growth.

Overseas, sales growth was driven by the expansion in the ASEAN region and the export business, as well as a strategic shift toward strengthening offline sales in China.

As a result, sales for this category were 62,827 million yen (+9.7% year-on-year).

Household products

Sales of oral hygiene products were 6,008 million yen (+3.6% year-on-year). While sales of the mainstay mouthwash *Mondahmin Premium Care* were sluggish due to the persistently tough competitive landscape, shipments of *Damon*, a new product launched in autumn targeting the younger generation, proceeded as expected, contributing to sales growth.

For bath salts, shipments of tablet bath salts held firm, thanks to redesigned packages and the launch of *Onpo Dekamaru*. However, sales of the powdered bath salt *Bath Roman* and the granular bath salt *Kikiyu* remained sluggish, resulting in total bath salt sales of 15,929 million yen (-6.5% year-on-year).

Sales of other household goods were 26,217 million yen (+4.3% year-on-year). The growth here was attributed to increased sales of cooling products, such as shirt mist and neck coolers, women's masks, and air conditioner cleaning spray. Also contributing to the sales growth was higher sales of household detergents in Vietnam.

Sales in this category amounted to 48,156 million yen (+0.4% year-on-year).

Pet products and others

The market for pet and other related products has remained robust, as spending per pet has been rising due to heightened awareness of pet health among pet owners and improved living conditions for pets. Under this environment, sales of care products such as cat litter, as well as functional foods increased, resulting in sales of 8,859 million yen (+19.5% year-on-year) for the category.

[General Environment and Sanitation Business]

The core customers of the General Environment and Sanitation Business (primarily companies involved in the food, pharmaceutical, and packaging material industries) face stringent hygiene management requirements to prevent food poisoning and contamination by foreign substances. This has led to growing needs for Earth Group's high-quality hygiene management services that leverage our specialized knowledge, technologies, and expertise.

In these circumstances, we stepped up our investment in building an internal framework that can serve customer needs by installing and developing systems geared toward human resources development and business process streamlining. At the same time, we worked to maintain and expand our contract numbers by providing hygiene management systems distinguished by strengthened technological capabilities, including through collaborative industry, academia, and public-sector research. We targeted the pharmaceutical and regenerative medicine industries in particular, and continued strengthening audit and consulting operations related to food safety management. These efforts led to a steady increase in the number of annual contracts.

In the nine months ended September 30, 2024, sales amounted to 24,172 million yen (+9.9% year-on-year), owing to steady growth in the number of contracts and contract value. Segment income (operating income) was 1,478 million yen (+13.3% year-on-year), as the increase in gross profit on sales growth offset the impact of higher cost-of-sales ratio for annual contracts, the main contract format for the Company, and for one-time contracts.

(Millions of yen)

| | Consolidated Q3 results for the fiscal year ended December 31, 2023 | Consolidated Q3 results for the fiscal year ending December 31, 2024 | YoY change (amount) | YoY change (percent) |
|-----------------------------------|---|--|------------------------|-------------------------|
| Sales | 21,992 | 24,172 | 2,179 | 9.9% |
| Segment income (operating income) | 1,304 | 1,478 | 173 | 13.3% |

Note: Sales include internal sales and transfers made within and between segments, which amounted to 123 million yen in Q3 of the fiscal year ended December 31, 2023 and 145 million yen in Q3 of the fiscal year ending December 31, 2024.

(2) Explanation of Financial Position

(1) Assets, Liabilities and Net Assets

As of September 30, 2024, total assets amounted to 141,491 million yen, up 9,084 million yen from December 31, 2023. This was mainly due to increases in cash and deposits, trade receivables, machinery, equipment and vehicles, software, and deferred tax assets, despite a decrease in other intangible assets. The increase/decrease in other intangible assets and software are due to the reclassification of software in progress (classified under other intangible assets) as software, following the start of operation of the updated core system.

As of September 30, 2024, liabilities increased by 5,380 million yen from December 31, 2023 to 65,787 million yen. This was mainly due to increases in trade payables, income taxes payable, refund liabilities, and other current liabilities, despite decreases in short-term borrowings and accounts payable-other.

Net assets amounted to 75,704 million yen as of September 30, 2024, rising 3,704 million yen from December 31, 2023. This primarily reflected an increase in retained earnings due to the recording of net income attributable to owners of parent, despite a decrease resulting from a share buyback.

Consequently, the Company's equity ratio was 49.6% as of September 30, 2024, down 0.7 points from December 31, 2023.

(2) Cash Flows

The Company has not prepared a statement of cash flows for the period ended September 30, 2024, so disclosure is omitted.

(3) Explanation of Consolidated Earnings Forecasts and Other Projections

In light of the most recent earnings performance, the Company revised the consolidated earnings forecast for the fiscal year ending December 31, 2024, released on February 13, 2024. For details, please see the "Notice of Revisions to the Consolidate Earnings Forecast for the Fiscal Year Ending December 31, 2024," dated today (November 11, 2024).

This forecast is based on information available to the Company at the time of its formulation. Actual results may differ substantially from the projections included within due to potential changes affecting a variety of factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

| | Fiscal year ended December 31, 2023 (as of December 31, 2023) | Nine months ended September 30, 2024 (as of September 30, 2024) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 17,505 | 20,790 |
| Notes and accounts receivable - trade | 23,573 | 24,924 |
| Electronically recorded monetary claims - operating | 2,066 | 3,945 |
| Merchandise and finished goods | 21,313 | 22,658 |
| Work in process | 820 | 919 |
| Raw materials and supplies | 6,133 | 5,120 |
| Other | 2,859 | 2,887 |
| Allowance for doubtful accounts | (100) | (107) |
| Total current assets | 74,170 | 81,140 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 32,977 | 33,464 |
| Accumulated depreciation and impairment | (17,484) | (18,135) |
| Buildings and structures, net | 15,492 | 15,329 |
| Machinery, equipment and vehicles | 18,798 | 19,894 |
| Accumulated depreciation and impairment | (13,617) | (14,309) |
| Machinery, equipment and vehicles, net | 5,181 | 5,584 |
| Land | 7,838 | 7,700 |
| Leased assets | 379 | 463 |
| Accumulated depreciation and impairment | (188) | (241) |
| Leased assets, net | 191 | 221 |
| Construction in progress | 926 | 847 |
| Other | 10,025 | 10,498 |
| Accumulated depreciation and impairment | (8,272) | (8,636) |
| Other, net | 1,753 | 1,862 |
| Total property, plant and equipment | 31,383 | 31,544 |
| Intangible assets | | |
| Trademark right | 2,411 | 2,139 |
| Software | 1,399 | 3,386 |
| Goodwill | 1,261 | 1,176 |
| Customer-related intangible assets | 1,523 | 1,362 |
| Other | 2,178 | 378 |
| Total intangible assets | 8,774 | 8,444 |
| Investments and other assets | | |
| Investment securities | 5,162 | 5,739 |
| Retirement benefit asset | 9,844 | 10,169 |
| Deferred tax assets | 753 | 2,179 |
| Other | 2,320 | 2,275 |
| Allowance for doubtful accounts | (1) | (1) |
| Total investments and other assets | 18,079 | 20,362 |
| Total non-current assets | 58,237 | 60,351 |
| Total assets | 132,407 | 141,491 |

(Millions of yen)

| | Fiscal year ended December 31, 2023 (as of December 31, 2023) | Nine months ended September 30, 2024 (as of September 30, 2024) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 21,484 | 23,314 |
| Electronically recorded obligations - operating | 8,520 | 12,972 |
| Short-term borrowings | 10,000 | 1,000 |
| Accounts payable - other | 6,608 | 4,133 |
| Income taxes payable | 1,608 | 4,352 |
| Accrued consumption taxes | 713 | 1,848 |
| Provision for bonuses | 283 | 1,885 |
| Refund liabilities | 1,226 | 3,768 |
| Other | 7,047 | 9,975 |
| Total current liabilities | 57,493 | 63,249 |
| Non-current liabilities | | |
| Deferred tax liabilities | 1,550 | 1,270 |
| Retirement benefit liability | 382 | 319 |
| Asset retirement obligations | 486 | 488 |
| Other | 494 | 459 |
| Total non-current liabilities | 2,912 | 2,537 |
| Total liabilities | 60,406 | 65,787 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,043 | 10,192 |
| Capital surplus | 10,066 | 10,216 |
| Retained earnings | 41,385 | 46,010 |
| Treasury shares | (79) | (2,080) |
| Total shareholders' equity | 61,415 | 64,340 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,383 | 1,748 |
| Foreign currency translation adjustment | 1,363 | 1,752 |
| Remeasurements of defined benefit plans | 2,383 | 2,271 |
| Total accumulated other comprehensive income | 5,130 | 5,773 |
| Non-controlling interests | 5,453 | 5,591 |
| Total net assets | 72,000 | 75,704 |
| Total liabilities and net assets | 132,407 | 141,491 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Nine months ended September 30, 2024

(Millions of yen)

| | Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023) | Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024) |
|---|--|--|
| Sales | 126,769 | 134,858 |
| Cost of sales | 74,505 | 79,122 |
| Gross profit | 52,263 | 55,736 |
| Selling, general and administrative expenses | | |
| Transportation and storage costs | 5,820 | 5,923 |
| Advertising expenses | 5,567 | 6,186 |
| Promotion expenses | 832 | 812 |
| Provision of allowance for doubtful accounts | 15 | 2 |
| Salaries and allowances | 12,644 | 13,006 |
| Provision for bonuses | 1,291 | 1,434 |
| Travel and transportation expenses | 1,103 | 1,162 |
| Depreciation | 1,299 | 1,456 |
| Amortization of goodwill | 84 | 109 |
| Rent expenses on land and buildings | 1,121 | 1,146 |
| Research and development expenses | 2,346 | 2,367 |
| Other | 10,918 | 11,441 |
| Total selling, general and administrative expenses | 43,046 | 45,050 |
| Operating income | 9,217 | 10,685 |
| Non-operating income | | |
| Interest income | 136 | 142 |
| Dividend income | 47 | 52 |
| Foreign exchange gains | 289 | — |
| Commission income | 18 | 44 |
| Rental income from buildings | 32 | 46 |
| Other | 284 | 272 |
| Total non-operating income | 810 | 558 |
| Non-operating expenses | | |
| Interest expenses | 28 | 32 |
| Share of loss of entities accounted for using equity method | 31 | — |
| Foreign exchange losses | — | 122 |
| Other | 23 | 42 |
| Total non-operating expenses | 83 | 198 |
| Ordinary income | 9,944 | 11,045 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 2 | 40 |
| Gain on sale of investment securities | 7 | 4 |
| Total extraordinary income | 10 | 44 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 2 | 15 |
| Loss on retirement of non-current assets | 177 | 21 |
| Loss on sale of investment securities | 7 | 0 |
| Loss on valuation of investment securities | — | 0 |
| Loss on valuation of shares of subsidiaries and associates | — | 15 |
| Total extraordinary losses | 186 | 53 |
| Net income before income taxes | 9,767 | 11,037 |
| Income taxes - current | 5,057 | 5,264 |
| Income taxes - deferred | (2,038) | (1,812) |

(Millions of yen)

| | Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023) | Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024) |
|--|--|--|
| Total income taxes | 3,018 | 3,451 |
| Net income | 6,749 | 7,586 |
| Net income attributable to non-controlling interests | 301 | 349 |
| Net income attributable to owners of parent | 6,448 | 7,236 |

Consolidated Statement of Comprehensive Income

Nine months ended September 30, 2024

(Millions of yen)

| | Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023) | Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024) |
|--|--|--|
| Net income | 6,749 | 7,586 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 401 | 362 |
| Foreign currency translation adjustment | 1,021 | 388 |
| Remeasurements of defined benefit plans, net of tax | (166) | (125) |
| Total other comprehensive income | 1,256 | 625 |
| Comprehensive income | 8,006 | 8,211 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 7,691 | 7,879 |
| Comprehensive income attributable to non-controlling interests | 314 | 332 |

(3) Notes to Quarterly Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Notes in the event of significant changes in shareholders' equity)

Based on the resolution of the Board of Directors at a meeting held on March 8, 2024, the Company repurchased 417,200 shares of the treasury stock. As a result, in the nine months ended September 30, 2024, treasury shares increased by 2,000 million yen, including changes resulting from the purchase of shares constituting less than one stock unit, with the balance of treasury shares at 2,080 million yen as of September 30, 2024.

(Notes to segment information)

[Segment information]

I. Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

Information on the amount of sales and income/loss by reportable segment

(Millions of yen)

| | Reportable segments | | | Adjustments* ² | Amount recorded on the quarterly consolidated statement of income* ³ |
|--|-----------------------------|---|---------|---------------------------|---|
| | Household Products Business | General Environment and Sanitation Business | Total | | |
| Sales | | | | | |
| Sales generated through external customers | 104,900 | 21,868 | 126,769 | — | 126,769 |
| Intersegment sales and transfers* ¹ | 7,727 | 123 | 7,851 | (7,851) | — |
| Total | 112,628 | 21,992 | 134,620 | (7,851) | 126,769 |
| Segment income | 7,586 | 1,304 | 8,891 | 326 | 9,217 |

Notes: 1. Includes internal sales within and among segments

2. The 326 million yen adjustment to segment income comprises eliminations of intersegment transactions.

3. Segment income is adjusted according to the amount of operating income indicated on the quarterly consolidated statements of income.

II. Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

Information on the amount of sales and income/loss by reportable segment

(Millions of yen)

| | Reportable segments | | | Adjustments* ² | Amount recorded on the quarterly consolidated statement of income* ³ |
|--|-----------------------------|---|---------|---------------------------|---|
| | Household Products Business | General Environment and Sanitation Business | Total | | |
| Sales | | | | | |
| Sales generated through external customers | 110,832 | 24,026 | 134,858 | — | 134,858 |
| Intersegment sales and transfers* ¹ | 9,010 | 145 | 9,156 | (9,156) | — |
| Total | 119,842 | 24,172 | 144,015 | (9,156) | 134,858 |

(Millions of yen)

| | Reportable segments | | | Adjustments* ² | Amount recorded on the quarterly consolidated statement of income* ³ |
|----------------|-----------------------------|---|--------|---------------------------|---|
| | Household Products Business | General Environment and Sanitation Business | Total | | |
| Segment income | 9,141 | 1,478 | 10,620 | 65 | 10,685 |

Notes: 1. Includes internal sales within and among segments

2. The 65 million yen adjustment to segment income comprises eliminations of intersegment transactions.

3. Segment income is adjusted according to the amount of operating income indicated on the quarterly consolidated statements of income.

(Notes regarding the statement of cash flows)

We have not prepared a quarterly consolidated statement of cash flows for the nine months ended September 30, 2024. However, depreciation (including amortization of intangible assets, excluding goodwill) and amortization of goodwill for the nine-month period are as follows.

| | Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023) | Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024) |
|--------------------------|--|--|
| Depreciation | 3,051 million yen | 3,259 million yen |
| Amortization of goodwill | 84 million yen | 109 million yen |