Consolidated Financial Results
for the Six Months Ended June 30, 2026 (Japanese GAAP)

August 6, 2026

Company name:	Earth Corporation	Listing Stock Exchange: Tokyo
Stock code:	4985	URL: https://corp.earth.jp/en/index.html

Representative: Katsunori Kawabata, President, Representative Director and CEO; Chairman of the Board of Directors of each group company
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Scheduled date for interim report submission:	August 10, 2026
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 Six Months Ended June 30, 2026 (January 1, 2026 to June 30, 2026)

(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	%
Six months ended June 30, 2026	109,055	6.2	13,219	(2.5)	13,484	(1.3)	8,795	(6.2)
Six months ended June 30, 2025	102,669	5.7	13,554	26.0	13,658	20.4	9,376	22.7

Note: Comprehensive income for the six months ended June 30, 2026 was 8,740 million yen (-1.2%), and comprehensive income for the six months ended June 30, 2025 was 8,849 million yen (-4.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended June 30, 2026	402.09	—
Six months ended June 30, 2025	430.03	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended June 30, 2026	166,272	87,417	48.7
Fiscal year ended December 31, 2025	149,382	81,290	50.2

Reference: Equity capital amounted to 81,024 million yen as of June 30, 2026 and 74,919 million yen as of December 31, 2025.

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	0.00	–	125.00	125.00
Fiscal year ending December 31, 2026	–	0.00			
Fiscal year ending December 31, 2026 (forecast)			–	130.00	130.00

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, 2026 (January 1, 2026 to December 31, 2026)

(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	188,000	4.9	9,000	11.3	9,550	7.4	6,200	18.4	283.79

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

*****Notes

(1) Changes in the scope of consolidation during the six-month period under review: Yes

New subsidiaries added: None

Subsidiaries excluded: One company (Bathclin Corporation)

(2) Distinctive accounting methods applied when preparing interim 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 June 30, 2026	22,209,900	As of December 31, 2025	22,209,900
2. Treasury shares outstanding	As of June 30, 2026	290,715	As of December 31, 2025	362,395
3. Average number of shares during the interim period	Six months ended June 30, 2026	21,874,430	Six months ended June 30, 2025	21,804,235

*The financial information in this interim report is 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. Summary of Operating Results (3) Explanation of Consolidated Earnings Forecasts and Other Projections” on page five of the accompanying materials.

(How to obtain supplementary materials on financial results)

The Company plans to hold a financial results briefing session for institutional investors and analysts on Thursday, August 6, 2026. Supplementary materials on financial results to be used at the briefing will be posted on the Company’s website on Thursday, August 6.

Accompanying Materials — Contents

1. Summary of Operating Results

(1) Summary of Operating Results for the Six Months Ended June 30, 2026 (Interim Period)

During the first six months of the fiscal year ending December 31, 2026 (January 1–June 30, 2026), real wages continued to increase, and personal consumption showed signs of a gradual recovery in Japan, although consumer sentiment remained subdued amid persistently high prices. Overseas, crude oil prices, which surged following the attacks on Iran by the U.S. and Israel in February 2026, declined from their peak but remained volatile. Concerns also persisted over the prolonged Russia-Ukraine conflict and the trade policies of the Trump administration in the U.S. While signs of improvement have emerged in economic conditions both in Japan and overseas, the outlook remains uncertain.

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, "Act for SMILE COMPASS 2026." Under the medium-term business plan, we have positioned profit and cash generation (profitability improvement) as our top priority, and to achieve this goal, we intend to bolster profitability by restructuring the domestic business and strengthening the brand power of our homecare products. We have been working to grow overseas sales by expanding operations in the Asian market through our local subsidiaries and by leveraging exports to the Middle East and other regions as key growth drivers.

In the first six months of the fiscal year ending December 31, 2026, the Household Products Business recorded solid sales of insecticides & repellents, while the General Environment and Sanitation Business continued to achieve growth in both the number and value of contracts. As a result, sales increased 6.2% year-on-year to 109,055 million yen. On the profit front, although higher sales led to an increase in gross profit, SG&A expenses rose, primarily due to higher logistics and advertising expenses. Consequently, operating income was 13,219 million yen (-2.5% year-on-year), ordinary income was 13,484 million yen (-1.3% year-on-year), and net income attributable to owners of parent was 8,795 million yen (-6.2% year-on-year).

Results by segment are as follows.

[Household Products Business]

In the Household Products Business, we are advancing initiatives to reform the earnings structure in line with the medium-term business plan, including streamlining and optimizing brands and SKUs based on profitability and future potential, with the aim of strengthening brands and expanding market reach. Overseas, we are working to actively expand our operations in the ASEAN region and China and grow the export business.

In the first six months of the fiscal year ending December 31, 2026, shipments of insecticides & repellents were strong at the start of the season. In oral hygiene products, sales of the *Mondahmin* mouthwash series increased following its major revamp last year. As a result, sales increased 5.8% year-on-year to 97,675 million yen. Segment income (operating income) decreased 1.8% year-on-year to 12,257 million yen, reflecting higher cost of sales as well as increases in SG&A expenses, including logistics and advertising expenses.

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026	YoY change (amount)	YoY change (percent)
Insecticides & Repellents	47,397	51,721	4,324	9.1%
Homecare products	33,405	33,319	(86)	(0.3%)
Oral hygiene products	4,025	4,260	235	5.8%
Bath salts	11,272	10,548	(723)	(6.4%)
Other homecare products	18,106	18,509	402	2.2%
Gardening products	5,269	6,514	1,245	23.6%
Pet products and others	6,233	6,119	(113)	(1.8%)
Total sales	92,305	97,675	5,369	5.8%
Segment income (operating income)	12,480	12,257	(223)	(1.8%)

Note: Sales include internal sales and transfers made within and between segments, which amounted to 6,420 million yen during the six months ended June 30, 2025 and 6,679 million yen during the six months ended June 30, 2026.

Results by product category are as follows.

Insecticides & Repellents

In Japan, although temperatures remained low for several days in mid-June, sales were solid overall, supported by strong sales at the start of the season. Sales of products for flies and mosquitoes, including *Earth OH! No-mat*, launched this spring, as well as products targeting cockroaches and other household pests, performed well.

Overseas, although sales in Thailand were below the previous year's level, the Company's market share increased. Sales also remained strong in Malaysia and the Philippines.

As a result, sales for this category were 51,721 million yen (+9.1% year-on-year).

Homecare products

Sales of oral hygiene products totaled 4,260 million yen, up 5.8% year-on-year, as the oral hygiene market remained above the previous year's level from the beginning of the year and sales of the *Mondahmin* mouthwash series, which underwent a major revamp last year, continued to perform well.

Sales of bath salts came to 10,548 million yen, down 6.4% year-on-year, as lower sales of powder-type bath salts, including *Bath Roman* and *Bathclin*, and the elimination of intercompany sales following the absorption of Bathclin Corporation more than offset strong sales of core products such as *Onpo* and the *BARTH* brand of neutral bicarbonate bath salts.

Sales of other homecare products were 18,509 million yen, up 2.2% year-on-year, driven by increased sales of household-related products, including air fresheners and mold control products.

As a result, sales in this category amounted to 33,319 million yen (-0.3% year-on-year).

Gardening products

Sales were strong, reflecting the contribution from Protoleaf, Inc., which was newly consolidated in the previous fiscal year, as well as robust sales of gardening insecticides & repellents and herbicides.

As a result, sales in this category totaled 6,514 million yen (+23.6% year-on-year).

Pet products and others

The market for pet and related products remained strong, supported by continued growth in spending per pet due to heightened awareness of pet health among pet owners and improved living environments for pets. Against this backdrop, sales of pet care products such as cat litter and functional pet foods grew.

In the other category, sales related to MA-T declined year-on-year but remained in line with the forecast.

As a result, sales in this category amounted to 6,119 million yen (-1.8% year-on-year).

[General Environment and Sanitation Business]

In the General Environment and Sanitation Business, capital investment is recovering in the manufacturing sector and demand for enhanced hygiene management remains strong amid ongoing incidents of contamination by foreign substances in Japan. As a result, the Earth Group's high-quality hygiene management support services, which are backed by its specialized knowledge and technology, continue to see strong demand from food and pharmaceutical plants.

Under these circumstances, we are working on seven key themes: "people, expertise, technical capabilities, education, occupational safety, business foundations, and business creation." Through our cutting-edge knowledge and high-level technical capabilities in hygiene management, we will help customers achieve high-quality environments. Through these efforts, we aim to enhance long-term corporate value while striving to fulfill our mission of preserving and protecting our irreplaceable global environment and making sustainable contributions to society's healthy development.

Specifically, we will continue to develop human resources and advance research and technological development, with the Saito General Research Institute serving as the core base, while strengthening next-generation services utilizing digital technologies such as IoT and AI, food safety audit services, and hygiene management support services for the life science industry. Through the provision of these efficient and high-value-added services, we will steadily build up annual service contracts and aim to achieve stable and sustainable earnings growth.

In the first six months of the fiscal year ending December 31, 2026, sales in the General Environment and Sanitation Business rose to 18,189 million yen (+7.7% year-on-year), driven by an increase in the number of annual contracts. Segment income (operating income) increased 9.1% year-on-year to 968 million yen, as higher gross profit resulting from sales growth more than offset a higher cost ratio and increased personnel expenses associated with proactive investment in human capital.

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026	YoY change (amount)	YoY change (percent)
Sales	16,889	18,189	1,300	7.7%
Segment income (operating income)	887	968	80	9.1%

Note: Sales include internal sales and transfers made within and between segments, which amounted to 104 million yen in the six months ended June 30, 2025 and 130 million yen in the six months ended June 30, 2026.

(2) Summary of Financial Position for the Six Months Ended June 30, 2026 (Interim Period)

(1) Assets, Liabilities and Net Assets

As of June 30, 2026, total assets amounted to 166,272 million yen, up 16,889 million yen from December 31, 2025. This was mainly due to an increase in trade receivables, despite declines in cash and deposits and inventories.

As of June 30, 2026, liabilities increased by 10,761 million yen from December 31, 2025 to 78,854 million yen. This was mainly due to increases in short-term borrowings, income taxes payable, accrued consumption taxes, provision for bonuses, and other current liabilities, offsetting decreases in accounts payable–other and deferred tax liabilities.

Net assets at the end of the current interim consolidated accounting period increased by 6,127 million yen compared to the end of the previous consolidated fiscal year, reaching 87,417 million yen. This was primarily due to a decrease in retained earnings resulting from dividend payments, offset by an increase attributable to the recognition of interim net income attributable to owners of the parent, among other factors.

As a result of the above, the equity ratio decreased by 1.4 percentage points compared to the end of the previous consolidated fiscal year, reaching 48.7%.

(2) Cash Flows

As of June 30, 2026, cash and cash equivalents (hereinafter, "cash") stood at 20,542 million yen, down 2,388 million yen compared to December 31, 2025.

The status of each cash flow and contributing factors during the six months ended June 30, 2026 were as follows.

Net cash used in operating activities amounted to 531 million yen (versus net cash of 3,272 million yen provided during the six months ended June 30, 2025). The main components were 13,057 million yen in net income before income taxes (13,740 million yen in the same period of the previous fiscal year), 2,403 million yen in depreciation (2,183 million yen), an increase of 20,141 million yen in trade receivables (an increase of 16,720 million yen), an increase of 3,026 million yen in other liabilities (an increase of 1,091 million yen), an increase of 1,129 million yen in provision for bonuses (an increase of 1,152 million yen), and a decrease of 1,006 million yen in inventories (an increase of 1,245 million yen).

Net cash used in investing activities was 3,045 million yen (versus 974 million yen used during the six months ended June 30, 2025). This primarily reflected 1,844 million yen in purchase of property, plant and equipment (1,491 million yen in the same period of the previous fiscal year), 839 million yen in purchase of shares of subsidiaries and associates (0 million yen), and 529 million yen in purchase of intangible assets (578 million yen).

Net cash provided by financing activities was 915 million yen (versus net cash used of 882 million yen during the six months ended June 30, 2025). This mainly reflected a net increase of 4,000 million yen in short-term borrowings (an increase of 2,030 million yen in the same period of the previous fiscal year), 2,730 million yen in dividends paid (2,613 million yen), and 172 million yen in dividends paid to non-controlling interests (173 million yen).

(3) Explanation of Consolidated Earnings Forecasts and Other Projections

The Company has made no changes to its full-year earnings forecast for the fiscal year ending December 31, 2026, which was announced on February 13, 2026.

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

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended December 31, 2025 (as of December 31, 2025)	Six months ended June 30, 2026 (as of June 30, 2026)
Assets		
Current assets		
Cash and deposits	23,327	20,542
Notes and accounts receivable - trade	23,197	39,354
Electronically recorded monetary claims - operating	2,744	6,741
Merchandise and finished goods	25,861	25,481
Work in process	917	696
Raw materials and supplies	5,525	5,222
Other	2,913	3,865
Allowance for doubtful accounts	(148)	(184)
Total current assets	84,339	101,718
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,120	33,488
Accumulated depreciation and impairment	(19,055)	(19,732)
Buildings and structures, net	14,064	13,756
Machinery, equipment and vehicles	20,791	21,258
Accumulated depreciation and impairment	(15,197)	(15,917)
Machinery, equipment and vehicles, net	5,594	5,341
Land	6,602	6,590
Leased assets	537	576
Accumulated depreciation and impairment	(342)	(387)
Leased assets, net	194	189
Construction in progress	622	803
Other	10,702	11,060
Accumulated depreciation and impairment	(8,407)	(8,746)
Other, net	2,295	2,314
Total property, plant and equipment	29,375	28,996
Intangible assets		
Trademark right	1,436	1,279
Software	3,512	3,989
Goodwill	1,186	1,089
Customer-related intangible assets	591	525
Other	816	494
Total intangible assets	7,543	7,377
Investments and other assets		
Investment securities	6,630	7,011
Retirement benefit asset	17,992	18,345
Deferred tax assets	438	437
Other	3,123	2,441
Allowance for doubtful accounts	(60)	(56)
Total investments and other assets	28,124	28,179
Total non-current assets	65,043	64,553
Total assets	149,382	166,272

(Millions of yen)

	Fiscal year ended December 31, 2025 (as of December 31, 2025)	Six months ended June 30, 2026 (as of June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,972	26,643
Electronically recorded obligations - operating	11,361	9,025
Short-term borrowings	7,420	11,420
Current portion of long-term borrowings	134	114
Accounts payable - other	7,627	6,611
Income taxes payable	850	4,940
Accrued consumption taxes	822	1,796
Provision for bonuses	460	1,592
Refund liabilities	1,052	1,394
Other	9,252	11,220
Total current liabilities	62,954	74,760
Non-current liabilities		
Long-term borrowings	165	110
Deferred tax liabilities	3,851	2,854
Retirement benefit liability	209	202
Asset retirement obligations	516	527
Other	394	398
Total non-current liabilities	5,137	4,093
Total liabilities	68,092	78,854
Net assets		
Shareholders' equity		
Share capital	10,192	10,192
Capital surplus	10,262	10,264
Retained earnings	44,862	50,926
Treasury shares	(1,743)	(1,398)
Total shareholders' equity	63,573	69,984
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,217	1,888
Foreign currency translation adjustment	2,850	3,244
Remeasurements of defined benefit plans	6,277	5,907
Total accumulated other comprehensive income	11,345	11,039
Non-controlling interests	6,371	6,393
Total net assets	81,290	87,417
Total liabilities and net assets	149,382	166,272

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

Interim Consolidated Statement of Income

(Millions of yen)

	Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Sales	102,669	109,055
Cost of sales	57,521	61,823
Gross profit	45,147	47,231
Selling, general and administrative expenses		
Transportation and storage costs	4,259	5,038
Advertising expenses	4,719	5,684
Promotion expenses	553	828
Provision of allowance for doubtful accounts	105	36
Salaries and allowances	8,747	9,133
Provision for bonuses	1,353	1,286
Travel and transportation expenses	776	753
Depreciation	950	1,016
Amortization of goodwill	79	97
Rent expenses on land and buildings	827	955
Research and development expenses	1,618	1,685
Other	7,600	7,493
Total selling, general and administrative expenses	31,593	34,012
Operating income	13,554	13,219
Non-operating income		
Interest income	96	115
Dividend income	89	99
Foreign exchange gains	—	54
Commission income	13	14
Rental income from buildings	37	39
Other	225	229
Total non-operating income	461	553
Non-operating expenses		
Interest expenses	53	96
Real estate lease expenses	14	14
Foreign exchange losses	226	—
Provision of allowance for doubtful accounts	53	—
Compensation expenses	—	140
Other	10	37
Total non-operating expenses	357	289
Ordinary income	13,658	13,484

(Millions of yen)

	Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Extraordinary income		
Gain on step acquisitions	349	—
Gain on sale of non-current assets	8	0
Gain on sale of investment securities	33	0
Total extraordinary income	392	0
Extraordinary losses		
Loss on sale of non-current assets	6	0
Loss on retirement of non-current assets	15	20
Impairment losses	289	85
Loss on valuation of investment securities	0	—
Extra retirement benefits	—	320
Total extraordinary losses	310	427
Net income before income taxes	13,740	13,057
Income taxes - current	4,709	4,630
Income taxes - deferred	(623)	(662)
Total income taxes	4,086	3,968
Net income	9,654	9,089
Net income attributable to non-controlling interests	277	293
Net income attributable to owners of parent	9,376	8,795

Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Net income	9,654	9,089
Other comprehensive income		
Valuation difference on available-for-sale securities	454	(335)
Foreign currency translation adjustment	(979)	394
Remeasurements of defined benefit plans, net of tax	(279)	(407)
Total other comprehensive income	(804)	(348)
Comprehensive income	8,849	8,740
(Breakdown)		
Comprehensive income attributable to owners of parent	8,608	8,489
Comprehensive income attributable to non-controlling interests	241	250

(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Cash flows from operating activities		
Net income before income taxes	13,740	13,057
Depreciation	2,183	2,403
Amortization of goodwill	79	97
Increase (decrease) in refund liabilities	746	334
Changes in retirement benefit assets and liabilities	(625)	(948)
Loss (gain) on step acquisitions	(349)	―
Decrease (increase) in trade receivables	(16,720)	(20,141)
Decrease (increase) in inventories	(1,245)	1,006
Decrease (increase) in other assets	455	(50)
Increase (decrease) in trade payables	3,555	298
Impairment losses	289	85
Increase (decrease) in provision for bonuses	1,152	1,129
Extra retirement benefits	―	320
Increase (decrease) in other liabilities	1,091	3,026
Other	59	(91)
Subtotal	4,410	526
Interest and dividends received	185	215
Interest paid	(53)	(96)
Income taxes paid	(1,271)	(692)
Payments of extra retirement benefits	―	(485)
Net cash provided by (used in) operating activities	3,272	(531)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,491)	(1,844)
Proceeds from sale of property, plant and equipment	1,714	9
Purchase of intangible assets	(578)	(529)
Purchase of investment securities	(60)	(30)
Purchase of shares of subsidiaries and associates	(0)	(839)
Payments into time deposits	(355)	―
Proceeds from withdrawal of time deposits	―	390
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	303	―
Payments of contingent consideration for shares of subsidiaries	(289)	―
Other payments	(329)	(243)
Other proceeds	112	41
Net cash provided by (used in) investing activities	(974)	(3,045)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,030	4,000
Proceeds from long-term borrowings	36	―
Repayments of long-term borrowings	(79)	(74)
Purchase of treasury shares of subsidiaries	(36)	(50)
Dividends paid	(2,613)	(2,730)
Dividends paid to non-controlling interests	(173)	(172)
Other	(45)	(56)
Net cash provided by (used in) financing activities	(882)	915
Effect of exchange rate change on cash and cash equivalents	(564)	273
Net increase (decrease) in cash and cash equivalents	850	(2,388)
Cash and cash equivalents at beginning of period	16,775	22,930

(Millions of yen)

	Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Cash and cash equivalents at end of period	17,626	20,542

(4) Notes to Interim Consolidated Financial Statements

(Notes to going concern assumptions)

None to be reported.

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

None to be reported.

(Notes to segment information)

[Segment information]

Six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

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

(Millions of yen)

	Reportable segments			Adjustments*2	Amount recorded on the interim consolidated statement of income*3
	Household Products Business	General Environment and Sanitation Business	Total		
Sales					
Sales to external customers	85,884	16,784	102,669	—	102,669
Intersegment sales and transfers*1	6,420	104	6,525	(6,525)	—
Total	92,305	16,889	109,194	(6,525)	102,669
Segment income	12,480	887	13,368	186	13,554

Notes: 1. Includes internal transactions within and among segments

2. The 186 million yen adjustment to segment income comprises eliminations of intersegment transactions.

3. Segment income is adjusted to operating income in the interim consolidated statement of income.

2. Impairment losses on non-current assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

The Company made Protoleaf, Inc. a consolidated subsidiary through share acquisition in the first six months of the fiscal year under review, resulting in an increase in goodwill in the Household Products Business. The increase in goodwill resulting from this event amounted to 349 million yen in the six-month period under review. In addition, due to an additional payment for the acquisition of shares in the consolidated subsidiary EARTH HOMECARE PRODUCTS (PHILIPPINES), INC., the Company recorded goodwill of 289 million yen during the six-month period under review, but the entire amount was recognized as an impairment loss.

Six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

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

(Millions of yen)

	Reportable segments			Adjustments*2	Amount recorded on the interim consolidated statement of income*3
	Household Products Business	General Environment and Sanitation Business	Total		
Sales					
Sales to external customers	90,995	18,059	109,055	—	109,055
Intersegment sales and transfers*1	6,679	130	6,809	(6,809)	—
Total	97,675	18,189	115,865	(6,809)	109,055
Segment income	12,257	968	13,225	(6)	13,219

Notes: 1. Includes internal transactions within and among segments

2. The 6 million yen downward adjustment to segment income comprises eliminations of intersegment transactions.

3. Segment income is adjusted to operating income in the interim consolidated statement of income.

2. Impairment losses on non-current assets and goodwill by reportable segment

(Information on impairment losses on non-current assets)

During the six months ended June 30, 2026, the Company recognized an impairment loss on non-current assets in the Household Products Business following the dissolution of consolidated subsidiary Earth Corporation (Suzhou). The impairment loss recognized as a result of this event amounted to 85 million yen.

(Business combinations)

(Absorption-type merger with a consolidated subsidiary)

At a meeting of the Board of Directors held on March 11, 2025, the Company resolved to carry out an absorption-type merger with its wholly owned subsidiary, Bathclin Corporation. The merger became effective on January 1, 2026.

1. Overview of business combination

(1) Name and business of the companies involved in the business combination

(Surviving entity)

Name: Earth Corporation

Business: Manufacture and sale, as well as import and export, of pharmaceutical products, quasi-drugs, medical devices, and household products

(Non-surviving entity)

Name: Bathclin Corporation

Business: Manufacture and sale of quasi-drugs (including bath salts and hair growth products), cosmetics, and miscellaneous products

(2) Date of business combination

January 1, 2026

(3) Legal form of business combination

An absorption-type merger with the Company as the surviving entity and Bathclin Corporation as the non-surviving entity.

(4) Name of the company after business combination

Earth Corporation

(5) Purpose of business combination

From the perspective of strengthening Group management capabilities, the transaction was undertaken to improve operational efficiency through the optimal allocation of Group management resources, respond to recent significant changes in the external environment, and further enhance the Group’s market presence.

2. Overview of the accounting treatment applied

The transaction was accounted for as a transaction under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).