



Earnings Briefing Materials for the Fiscal Year Ended December 2024

February 13, 2025

A graphic showing the Earth's horizon with a bright sun rising behind it, creating a lens flare effect. The text "Earth Corporation" is centered over the horizon.

Earth Corporation

- Good afternoon everyone.
My name is Katsunori Kawabata, Representative Director, President, and CEO at the Earth Corporation.
- Today (February 13, 2025) at 15:30, we disclosed the financial results for the fiscal year ending December 2024. After explaining the overview of the 24-year performance, I will explain the first year of the medium-term business plan and the overview of the 2025 plan. After my explanation, I would like to answer your questions.



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FY 12/2024 – Financial Result Highlights

- I will now explain the financial results for the fiscal year ending December 2024.

Financial Result Highlights



(Unit: 0.1 B JPY)

- YoY increase in sales & profits; Sales & profit overperformance vs. forecast.
(vs. November revised forecast – Sales: +1.27 B yen; Operating Income: +420 M yen)
- ①Met sales targets with ②COGS margin and ③SG&A expenses as expected.
This allowed us to meet the forecast targets.
- Price revisions in the Insecticides & Repellents business and results in the General Environment & Sanitation and Overseas businesses drove sales.

	23.4Q Results		24.4Q Forecast		24.4Q Results		Comparison			
	Amount	% Sales	Amount	% Sales	Amount	% Sales	YoY	YoY (%)	vs. Forecast	vs. Forecast (%)
Sales	1,583.4	100.0%	1,650.0	100.0%	1,692.7	100.0%	109.3	106.9%	① 42.7	102.6%
COGS	947.1	59.8%	991.6	② 60.1%	1,003.0	③ 59.3%	55.8	105.9%	11.4	101.2%
Gross Profit	636.2	40.2%	658.3	39.9%	689.6	40.7%	53.4	108.4%	31.3	104.8%
SG&A	572.5	36.2%	628.3	38.1%	625.4	36.9%	52.8	109.2%	③ - 2.8	99.5%
Operating Income	63.7	4.0%	30.0	1.8%	64.2	3.8%	0.5	100.9%	34.2	214.2%
Ordinary Income	67.9	4.3%	35.6	2.2%	73.6	4.4%	5.7	108.4%	38.0	206.9%
Net Income attributable to owners of parent	41.0	2.6%	17.9	1.1%	34.7	2.1%	- 6.2	84.7%	16.8	194.1%

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- Sales and operating income both increased, with sales of 169.27 billion yen and operating income of 6.42 billion yen, and both were significantly higher than the initial plan. In addition, both sales and operating income were higher than the revised plan announced in November last year.
- We believe that the increase in sales was the result of various sales initiatives, and that the increase in operating income was the result of efforts such as the increase in gross profit insect care products due to the increase in sales and the effect of the price revision of insecticides & repellents.

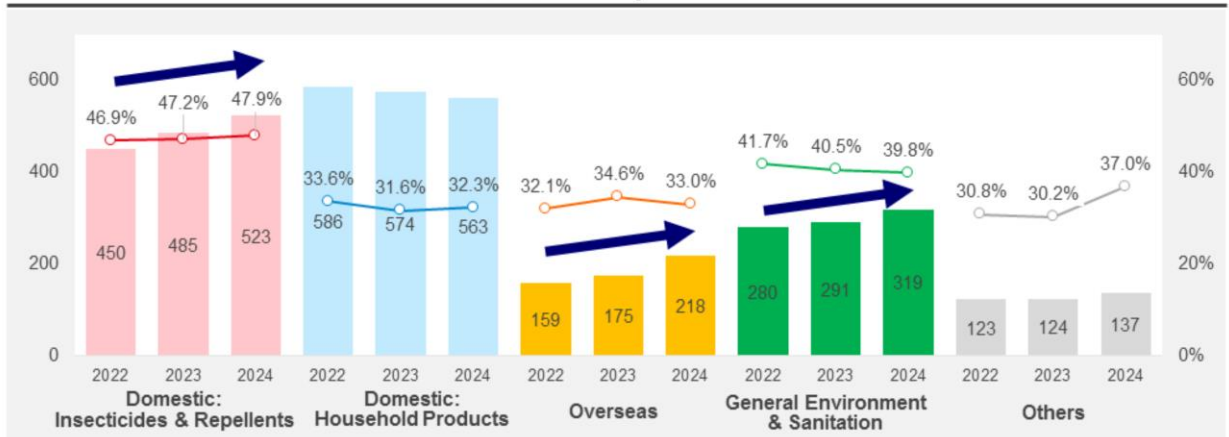
Management Accounting Basis: Sales / GPM



(Unit: 0.1 B JPY)

- Domestic – Insecticides & Repellents: Drove market growth; Higher sales & price revisions led to a profit improvement.
- Domestic – Household Products: Despite slightly lower sales, initiatives allowed us to improve gross profit margin, with the gross profit amount in line with LFY.
- Overseas: Strong results in ASEAN drove growth, allowing for a significant sales increase of over 4 B yen.
- General Environment & Sanitation: Number of contracts and amounts grew at a good pace vs. the start of the fiscal year, as we met the fiscal year targets.

Sales / GPM by Portfolio



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*On a management accounting basis. Consolidated adjustments, e.g., internal eliminations not included. 3

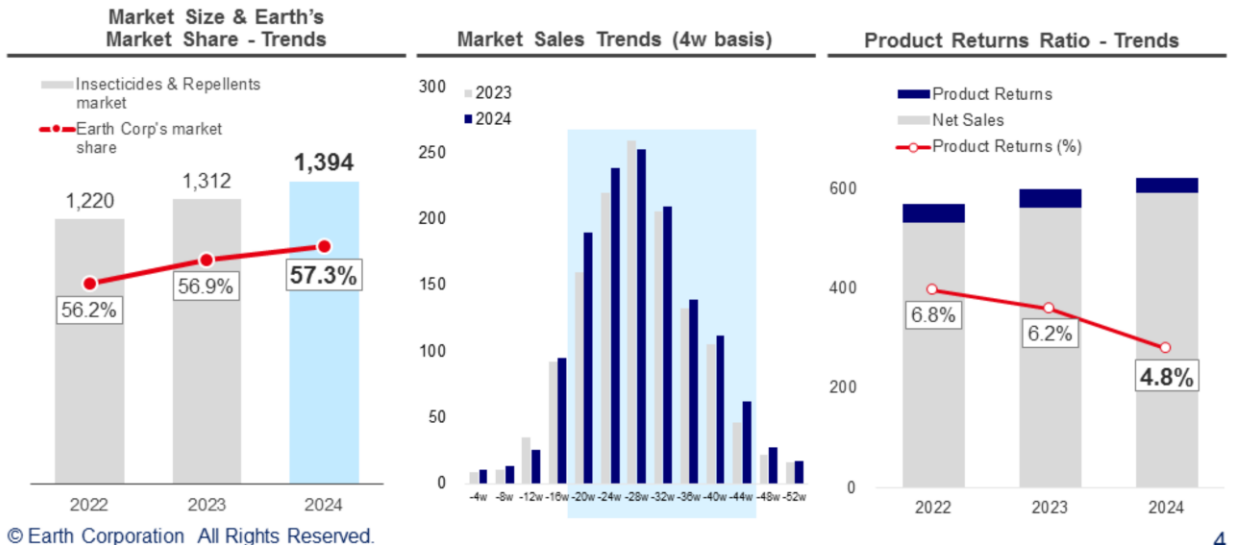
- The status of each portfolio on a management accounting basis is shown in the three-year trend from 2022.
- In addition to expanding our mainstay domestic insecticides & repellents, we have also been working to bolster our domestic household products business, which we have long needed to bolster. We have been making efforts since last year, and although sales have decreased slightly, the gross profit margin has improved. Overseas, we have reached the stage of sowing the seeds for future growth, which was the first priority in our medium-term plan, and sales have expanded to the 20 billion yen level. However, our targets are still ahead of us. We are steadily making progress towards our goals. In terms of General Environment and Sanitation, sales have grown to exceed 30 billion yen, and this has become our main business. Sales are increasing due to a steady increase in the number of contracts, but the recent rise in labor costs has caused the profit margin to decline slightly. This is within our expectations, and we are considering what our next move should be.

Domestic: Insecticides & Repellents Status Update



(Unit: 0.1 B JPY)

- Market showed YoY growth thanks to favorable weather and price revisions.
- Shipments were higher YoY consistently throughout the season and growth was especially pronounced toward the latter part.
- Hot weather lasting later into the year led to strong store sales numbers. This, coupled with our efforts to promote year-round staple products, led to a decrease in product returns.



- This is about the domestic insect insecticides & repellents.
- The market situation is shown on the left. The market peaked in 2020 due to the coronavirus pandemic, and although it temporarily declined, it has now started to rise again. By being able to develop products that match the higher unit prices and the increased focus on prevention needs, we have been able to gain customer support and increase our market share to 57.3%.The market for insecticides & repellents has been affected by global warming, and the sales period has become longer than before. As a result, insecticides & repellents are becoming year-round products, not only for consumers but also for retailers. You can see this situation in the graph in the middle. As insecticides & repellents are becoming year-round products, returns are also decreasing.

Domestic: Insecticides & Repellents Status Update ②



- Cockroach/pest control products & insect repellents continued to drive market growth.
- Growth from new products designed to address market needs and the positive effects of price revisions contributed to results.

New Product Trends



Gokishu!
[vs. forecast]
176%

Zero No Knight
Cockroach and Bedbug 1-Push Spray for 60 times use
【Sales* contribution】
270 M yen

Effects of Price Revisions (Total of 83 SKUs)



【vs. forecast】
+1.34 B yen

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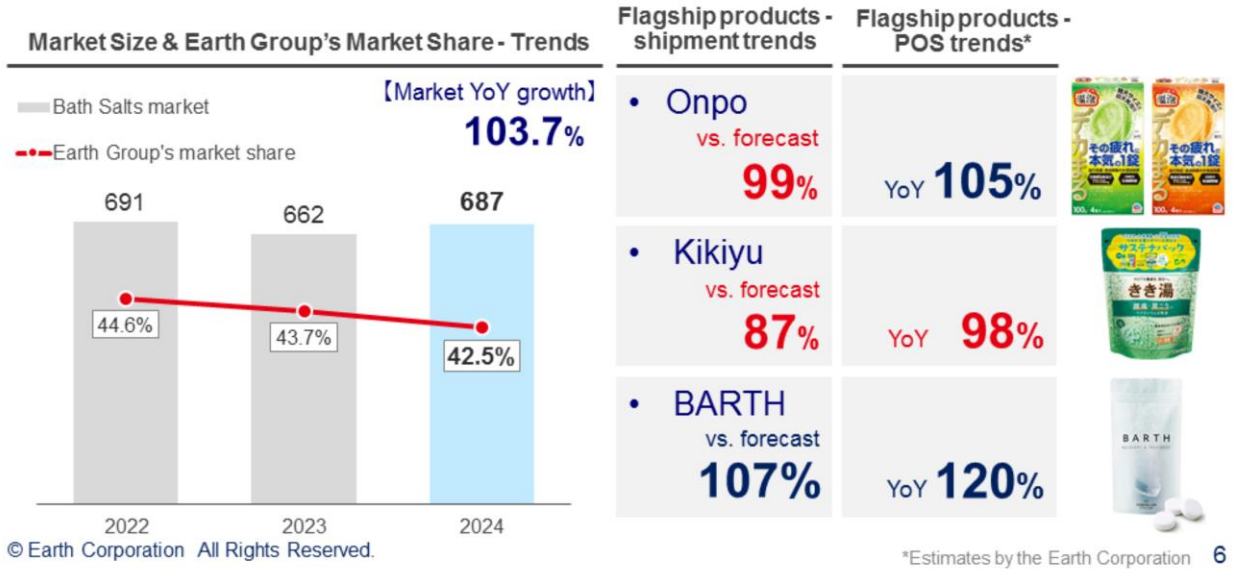
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- In 2024, as a category leader, we actively introduced new products with added value that were not available on the market. “Gokishu!” and “Zero No Night” are representative new products that are contributing to results. We have also been affected by the rising cost of raw materials, and we have implemented price revisions to respond to this. We are working on this while providing proper explanations, and we are seeing positive results.

Domestic: Household Products (Bath Salts) Status Update



- Boost to store sales from higher advertising spend and promotional campaigns leveraging social media.
- Continue working to improve profitability by changing existing product formulations, etc.

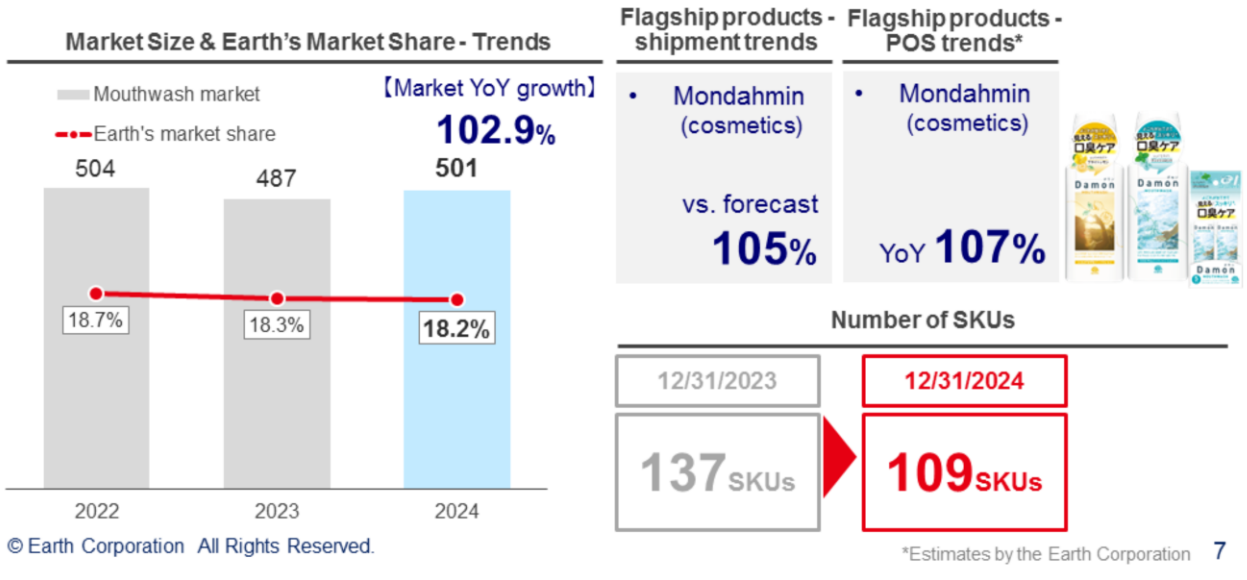


- The mainstay domestic household products, bath salts and mouthwash, are businesses that need to be addressed. In the bath salts market, our group has the top share, but we are losing market share year by year. Last year, we reviewed our main products “Onpo” and “Kiki-Yu”, and launched a new product called “Dekamaru” for “Onpo”. It has been about three months since its launch, but shipment trends have stopped declining, and POS trends have also improved. This fiscal year, we expect that these measures will contribute to our performance for the full year (12 months). The bathsalts business is also progressing well.

Domestic: Household Products (Mouthwash) Status Update



- Improved shipments thanks to a contribution from the “Damon” product line aimed at younger demographics. Improved store sales of the “Mondahmin” product line.
- Reduced the number of SKUs (limited edition products, etc.) and worked to improve profitability.



- Next, I would like to explain about mouthwash.
- We know that this is another business that we need to be addressed. Although it will be a two-step process, last autumn we launched “Damon” as part of the Mondahmin series, targeting young people. Three months have passed since its launch, and the effects of this product are starting to show, and we recognize that it is being accepted by customers more than we had expected. We also expect this to contribute to our performance for the full year (12 months) this term .At the same time, we will continue to work on bolstering our mainstay Mondhamin brand. I think we will be able to explain our plans to everyone during this fiscal year. Overall, things are moving in a positive direction, so we will continue to work hard without letting our guard down.

Overseas: Status Update (ASEAN Core)



(Unit: 0.1 B JPY)

- Overseas sales have grown to exceed 20.0 B yen; Strong results in this segment, which is a top priority within the MTBP.
- Thailand – YoY: 110.2%; Vietnam – YoY: 118.8%; Significant sales increases on a yen-denominated basis.

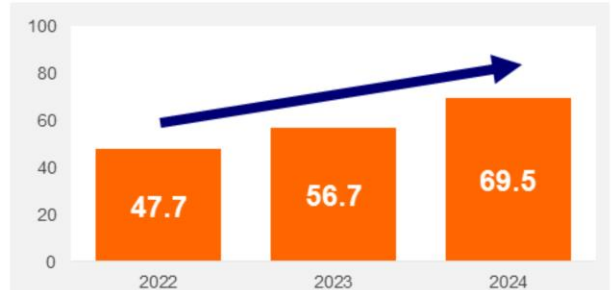
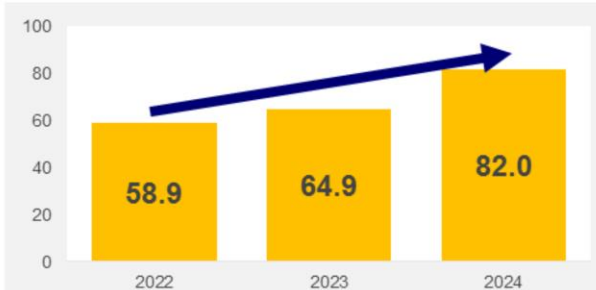
Thailand

- Met sales target on a yen-denominated basis and in the local currency.
- Significant growth in shipments to core accounts.
- Maintained no.2 market share in insecticides & repellents.
- Rolled out ARS Mos Shooter.



Vietnam

- Met sales target on a yen-denominated basis; Local currency results more or less in line with the plan.
- Growth for MT thanks to enhanced proposals.
- Strong growth in household detergents and air fresheners.
- Rolled out our core system.



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- This is about the situation of overseas.
- In 2025, sales of 20 billion yen will be the base, and both local subsidiaries and exports are progressing smoothly. Regarding Thailand and Vietnam, which are our main markets, although they are different countries, we are working towards the same goal as in Japan, which is to gain the support (market share) of our customers. In Thailand, we are also promoting products that we are collaborating on with Kao Corporation. We have also become the No. 2 market share holder in insecticides and repellents market. We believe that, in the near future, we will be able to achieve the No. 1 position, just as we have in Japan. In Vietnam, due in part to the impact of exchange rates, results are in line with our plan on a local currency basis. Considering factors such as population size, we think that Vietnam is in a position to overtake Thailand, and we will be taking a different approach to our initiatives there.

Overseas: Status Update

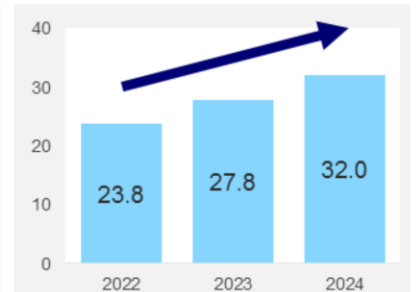
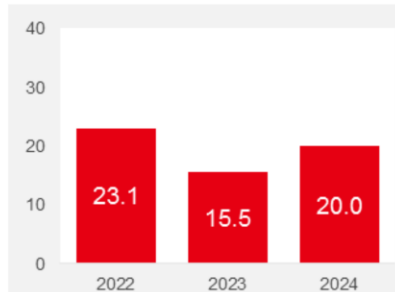
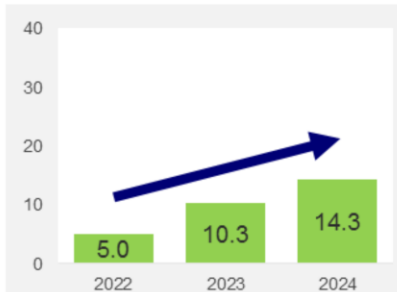
(Expansion in ASEAN, China, Exports)



(Unit: 0.1 B JPY)

- Strong results in Malaysia. While we recorded an impairment on goodwill & intangible assets in the Philippines, we continued to see sales growth.
- Results in China bounced back after a large sales decrease in 2023; Export business: sales to Saudi Arabia grew to 1.0 B yen

Growth Areas (Malaysia & Philippines)	China	Exports
<ul style="list-style-type: none"> ■ Malaysia: Strong growth in insecticides & repellents and air fresheners as large accounts adopt more year-round staple products. ■ Philippines: Sales growth thanks to higher shipments. 	<ul style="list-style-type: none"> ■ Met sales targets on a yen-denominated basis. ■ Insecticides & repellents and wardrobe air fresheners made a sales contribution. ■ Progress in the rollout of 5 key products for offline channels. 	<ul style="list-style-type: none"> ■ Strong results from exports of insecticides & repellents to Saudi Arabia, Hong Kong, and Taiwan. ■ Robust results in North America, especially from Amazon sales.



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- Next, I'd like to talk about the ASEAN expansion area, China, and exports.
- In the case of the Philippines, we posted an impairment loss for the fiscal year ending December 2024, and we are starting over, but we have no concerns. In the near future, we hope to achieve profitability in Malaysia and the Philippines. In China, we have been struggling, but the results of our revised strategy are steadily emerging. However, we believe there is still more we can do. We are seeing a positive response to our current initiatives, so we hope to achieve even better results in 2025. We are also looking for new areas to establish local subsidiaries in parallel with exports. In addition to areas such as Saudi Arabia, Hong Kong and Taiwan, we are also developing a path for expansion in North America. Although this is different from the initiatives of our local subsidiaries, we are proceeding with it as an important business.
- By promoting these overseas initiatives, we have achieved sales of around 20 billion yen. We will continue to aim for further sales growth.

General Environment and Sanitation Business Status Update



- YoY: +2.8 B yen; vs. forecast: +1.8 B yen – achieved a significant sales increase as this business now does 30.0+ B yen in sales.
- Steady growth in the number of contracts & contract amounts, thanks to greater demand for hygiene control services leveraging Earth's expert knowledge and knowhow.

General Environment and Sanitation Business – Trend in Annual Contract Numbers



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Reasons behind this strong performance

- | | |
|----------|--|
| External | <ul style="list-style-type: none"> ■ Reports of foreign material contamination and changes in domestic legislation have led to greater client interest for hygiene control solutions. ■ Increased capex spending in the manufacturing industry; recovery in costs related to hygiene/sanitation. |
| Internal | <ul style="list-style-type: none"> ■ Further enhance employee training through our Skill Development Center. → Improvement in basic management skills. ■ Proactive investment toward the further development of expertise and technical R&D. ■ Expand our testing facilities in the field of life sciences. |

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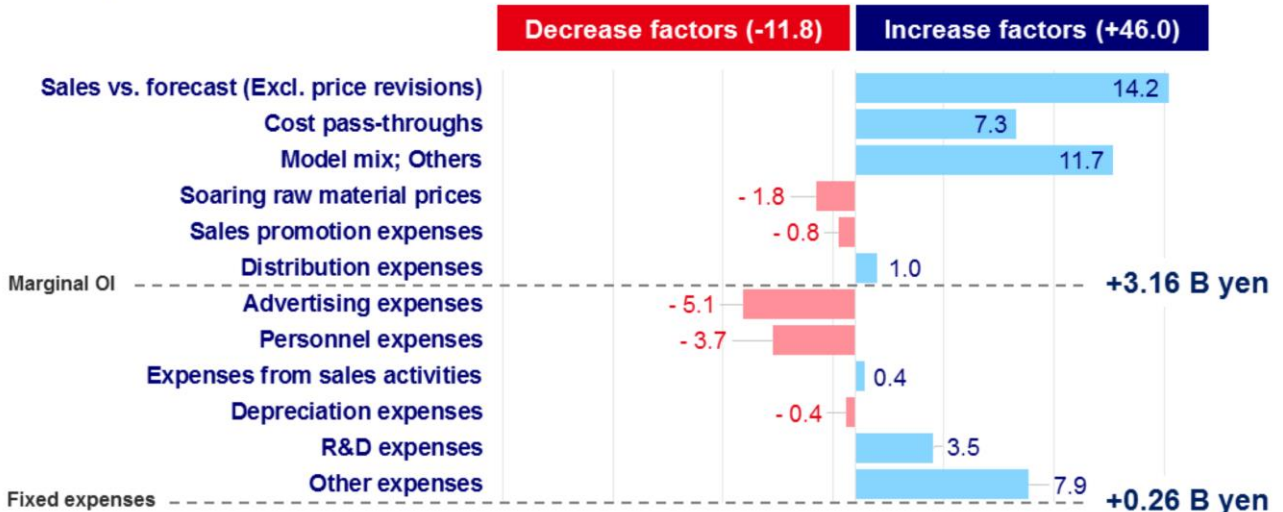
- This is about General Environment and Sanitation Business.
- Our company operates two major businesses: the household products business and the General Environment and Sanitation Business. This business is a know-how business. I think that the number of contracts we have is the result of customers using our services and being satisfied with them. As we have positioned these as our two major businesses, we will continue to aim for further sales expansion in the future.

Operating Income Change Factors (vs. Forecast)



(Unit: 0.1 B JPY)

- While raw material prices soared to a degree exceeding Company forecasts, price revisions allowed us to absorb this impact.
- Carried out additional advertising spend in 2H as part of our initiatives related to household products.
- Expenses related to structural reform came in below the initial forecast. These – coupled with other expenses – contributed to an increase in profits.



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- I will explain the factors that caused the change in operating income compared to the forecast.
- In 2024, we were also affected by the rise in raw material prices, but we were able to absorb this by taking measures such as price revisions. In addition, we are working to understand the progress of factors that cause fluctuations in income, such as decreases and increases, while being aware of operating marginal profit and fixed costs, which are indicators in management accounting. In 2025, we will continue to closely manage the progress of operating income.

Recorded an Extraordinary Loss



- Net income was down YoY primarily on account of an extraordinary loss of 1.46 billion yen recorded in 2024.
- No impact on current cashflow.

Item	Details
Impairment loss on goodwill and intangible assets at our subsidiary in the Philippines	<ul style="list-style-type: none"> • The business climate has diverged from Company expectations at the time we acquired shares in this subsidiary in 2021. • Recorded an impairment loss on goodwill and intangible assets.
Impairment loss on our Kakegawa Plant	<ul style="list-style-type: none"> • Considered possible use cases for the site after operations stopped in 2023. • Decision was made to sell the Kakegawa site, leading to an impairment loss resulting from the delta between book value and the valuation amount.
Others	<ul style="list-style-type: none"> • Loss on retirement of non-current assets. • Loss on valuation of shares of subsidiaries and associates, etc.

- I will explain the posting of extraordinary losses.
- As mentioned in the medium-term plan, we have decided to post impairment losses due to the transfer of the Kakegawa Plant as part of our efforts to consolidate and eliminate production facilities. We have also decided to post impairment losses for our Philippine subsidiary in 2024 in order to promote further growth. The amount of the extraordinary losses will be 1.46 billion yen, but there will be no impact on cash.



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MTBP – First Year Review

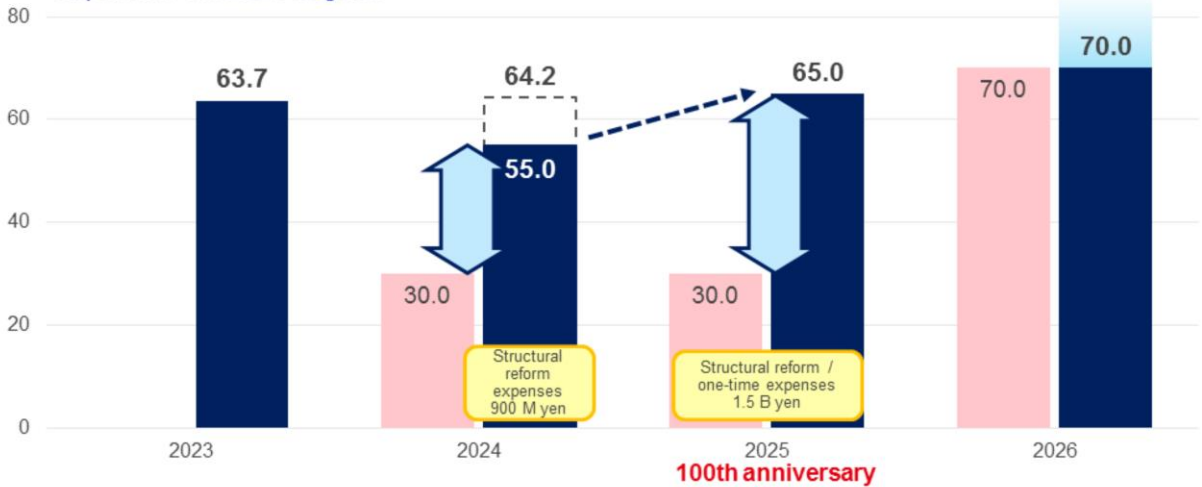
- So far, we have explained the financial results of 2024.
- From here, we will look back on the medium-term business plan that we are currently implementing, and also explain forecasts of 2025 and beyond.

MTBP – Operating Income Forecast



(Unit: 0.1 B JPY)

- In 2024, sales of Insecticides & Repellents benefited from favorable weather, so we **expect around 5.5 B yen** in operating profit as an actual value without favorable weather. Our earnings power has increased thanks to the benefits of price revisions and other measures, leading to a profit improvement versus the forecasts at the time the MTBP was announced.
- Expect an operating income improvement of 1.0 B yen as an Actual value in 2025 & will work to outperform vs. 2026 targets.



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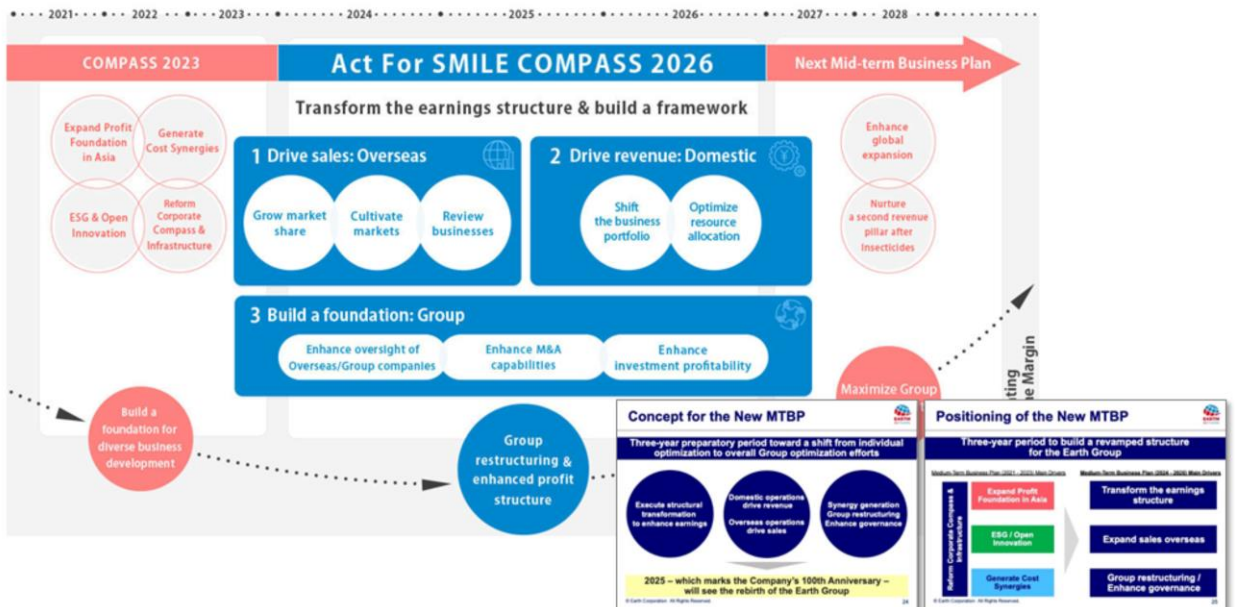
- Before I go into the details , I would like to explain the original medium-term business plan.
- In light of changes in the external environment, we have declared that we will restructure our internal systems over the three-year period of this medium-term business plan. We believe that the three-year period of this medium-term business plan is a time to restructure our systems while persevering and spending money in preparation for the next step. The pink area of this slide shows operating profit. The initial forecast for operating profit in 2024 was that it would decrease to 3 billion yen. Instead, we are planning to build a solid structure and make a profit steadily from 2026 onwards. In this context, in 2024, while implementing the measures in the medium-term business plan, we received a slight tailwind and achieved operating income of 6.4 billion JPY. On the other hand, excluding the benefit of the market environment, our own estimate of our true ability is around 5.5 billion JPY. We believe that the difference between this and 6.4 billion JPY is the tailwind from the favorable weather. Of course, we are proceeding with our business operations on the assumption that there will be no tailwind, but even without the tailwind, I believe that we have the strength to generate an additional 2.5 billion yen in operating income in 2024 compared to our initial forecast. Based on this 5.5 billion yen, we would like to aim for an additional 1 billion yen in 2025. If the external environment improves as it did in 2024, we can aim for an even higher figure .At the beginning, we explained that we would carry out the reforms with a 3 billion yen operating profit plan for 2024-2025, but I think that the company has gained the strength to exceed that level. The plan for 2026 is 7 billion yen, but I think that we have become a company that can produce profits that exceed this.

Feb. 2024 – Announced New MTBP



S L O G A N

Our Group Working Together Toward a Bright Tomorrow for EARTH



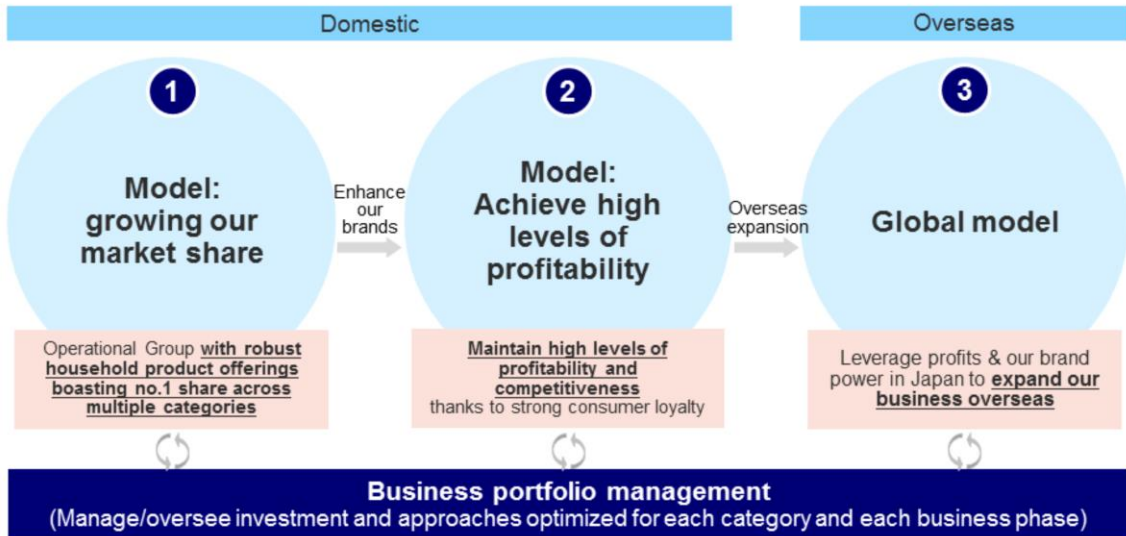
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- Again, in this medium-term business plan, we will reform our earning structure and build a better structure.
- Some people say that if we are making a profit, we must not be making progress with structural reform, but we are implementing all of the policies and measures we have set out. I would like you to understand that the results for 2024 are the results we have achieved through the reform of earning structure.

Goal of Structural Reform

- Aiming to become a “stronger Earth Group”, we will optimize our business portfolio and reorganize the allocation of resources.



- This is the vision we are aiming for through structural reform.
- We aim to build a high-profit model by expanding our market share and accumulating the strength to negotiate prices. We also accelerate growth through overseas expansion. At present, we are proceeding with initiatives in Japan and overseas separately. In order to achieve this vision, we will optimize our business portfolio and reorganize the allocation of resources.

Group Restructuring Initiatives



1

**Shift to a
holdings
company
structure**

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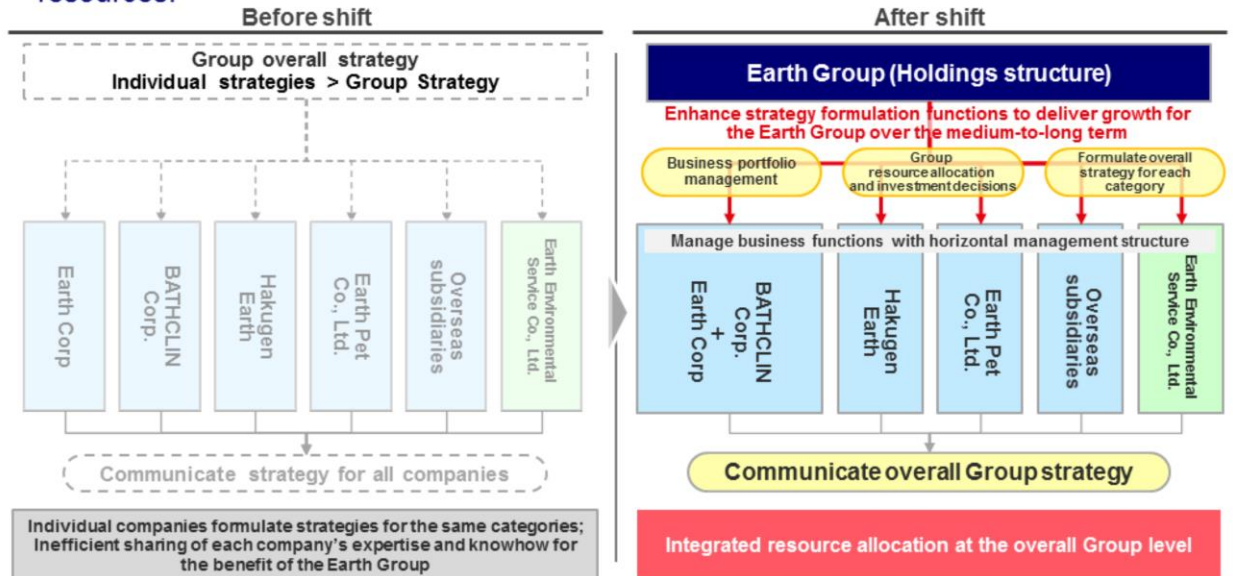
**Optimal resource allocation to catalyze
further growth for the Earth Group**

- As announced in November 2024, we are proceeding with a restructuring of the group.
- We are currently in the process of making preparations for the transition to a holding company structure and the integration of BATHCLIN, and we are making progress without any problems.

Aim of Shift to Holdings Company Structure



- Put in place whole-Group strategy proposal support functions and optimize resource allocation in order to achieve “Rapid decision-making,” the “Enhancing of the management control system,” and the “Selection and concentration of management resources.”



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- This is about the transition to a holding company structure.
- After carefully considering the good and bad aspects of the current structure, we have decided that it would be good for the company to transition to a holding company structure. Some people say that this will slow down management, but in our case, we think that a holding company structure will actually speed up management. At the moment, each company exists side-by-side, and each company is advancing its business based on its own judgment and independent accounting system. By creating a holding company structure, we will be able to create a solid group-wide strategy and the holding company will control the resources of the group. We will work with a sense of urgency.

Addressing Soaring Raw Material Prices



(Unit: 1 B JPY)

- As of the end of 2024, we hadn't yet been able to completely offset the cumulative impact of soaring raw material prices over the 3-year period starting in 2022. However, 2025 is when we expect cost reductions and price revisions to allow us to offset this cumulative drag on results.

Profit impact from soaring raw material prices vs. cost reductions + price revisions

	Profit impact from raw materials	Cost reductions + price revisions	Difference
2022	- 2.75 B yen	0.6 B yen	
2023	- 3.25 B yen	2.50 B yen	
2024	- 1.28 B yen	2.72 B yen	
2025 (Forecast)	- 0.69 B yen	2.26 B yen	
Total	- 7.97 B yen	8.08 B yen	0.11 B yen

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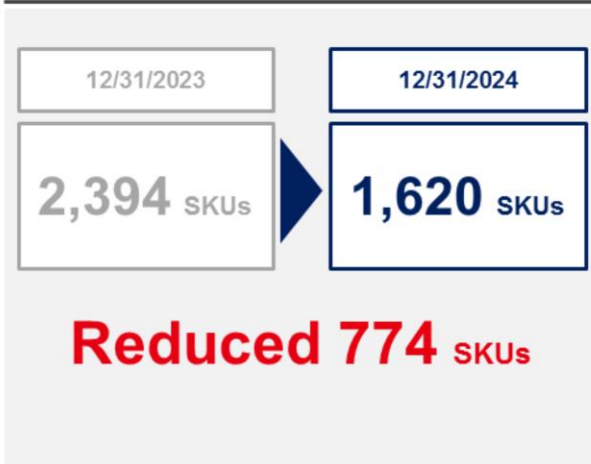
- Next, I will explain the specific details of the earning structure reform and its results. First, let me explain about our response to soaring raw material prices.
- The impact of the soaring raw material prices began in 2022, and we expect it to have an impact of 690 million yen in 2025, for a cumulative total of 7.97 billion yen from 2022 to 2025. If we do nothing, we will have lost approximately 8 billion yen in profit. We are working to mitigate the impact by reducing costs and price revisions. We have already negotiated with customers and are proceeding with price revisions in 2025. As a result of these efforts, we expect to be able to cover the impact of the soaring raw material prices by generating a cumulative total of 8.08 billion yen in benefits by 2025.

SKU Reductions

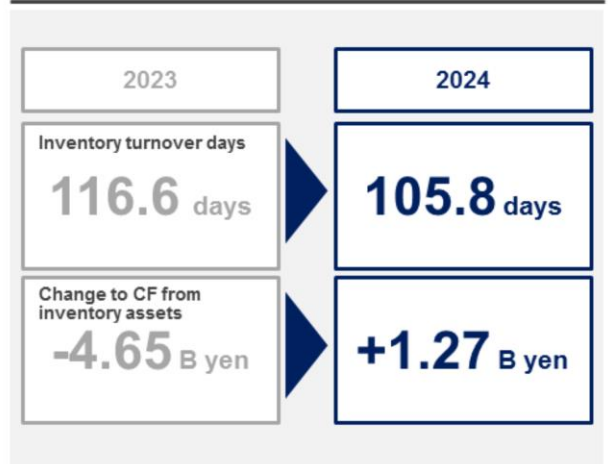


- Achieved our initial SKU reduction target of 30%.
- Reduced inventory turnover days, contributing to an increase in cash.
- We will continue further efforts to rationalize SKUs while simultaneously doing product launches for growth categories/channels.

SKUs (Earth Corporation: non-consolidated)



Cash contribution from inventory optimization



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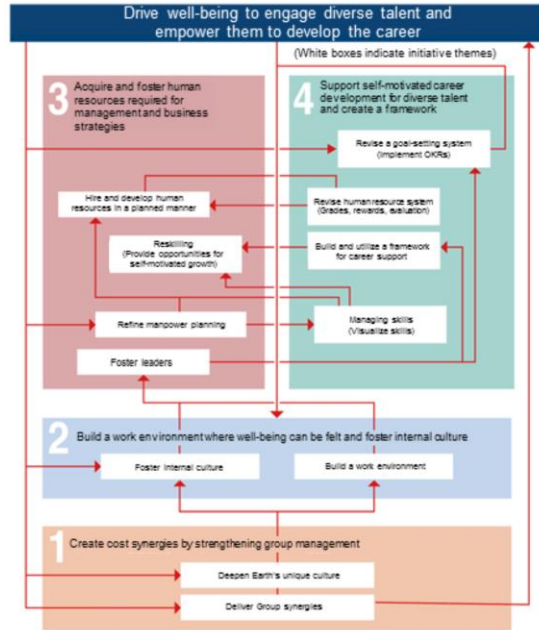
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- We are also working to reduce SKUs.
- As a measure in the medium-term business plan, we had set a target of reducing SKUs by 30%. We had planned to achieve this over a three-year period, but we were able to achieve a 30% reduction in one year, in 2024. This has produced results, such as a reduction in the number of days inventory is turned over by more than 10 days, and an improvement in cash flow due to changes in inventory. Since we were able to achieve this ahead of schedule, it does not mean that we will not reduce SKUs anymore in the future, but we will continue to make further reductions.

Initiatives Toward Human Capital Management



- We are executing initiative themes built upon the 4 human capital materialities listed below.



【Select initiatives carried out in 2024】

- 2. Build a work environment where well-being can be felt and foster internal culture**
 - Use engagement surveys to clearly identify challenges.
- 3. Acquire and foster human resources required for management and business strategies**
 - Create detailed workforce plan toward the pooling of global human capital.
 - Review employee training by career stage.
 - Expand online learning/training options.
- 4. Support self-motivated career development for diverse talent and create a framework**
 - Adopt OKR.
 - Put in place a structure to support career paths/development. (Expand skill management framework using a human capital database)

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- Human capital is essential for the promotion of medium-term business plan.
- We are promoting initiatives based on human capital materiality. To give one example, in terms of well-being, we have evolved from conducting employee satisfaction surveys to conducting engagement surveys, and we are working to clarify future issues. We are also working to develop management human capital and to establish initiatives and systems to support career development.

ESG: Recognition by Outside Entities



- The Earth Group continues accelerating its ESG efforts, which are increasingly being recognized by outside entities.

Recognition by Outside Entities



In recent years, MSCI, FTSE, and S&P Global have gradually started to recognize the Earth Group's efforts in ESG.



Selected as component of ESG-related stock indices



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

- This is about ESG-related matters.
- We are carrying out our business while also receiving external evaluations. As a result of our focus on disclosure over the past few years, we have gradually received higher evaluations from external organizations, and I feel that this has led to a better understanding of the company. Of course, we are not working on this for the sake of evaluation, but we would be happy if a correct understanding of the company ultimately led to an improvement in our corporate value.

Progress vs. 2026 Quantitative Targets



- Topline results close to 2026 targets; Overseas as a percentage of sales continues growing at a strong pace.
- We seek to further improve profitability.

		2023 results	2024 results	YoY	2026 target
Profitability	Consolidated sales	158.3 B yen	169.2 B yen	+ 10.9 B yen	170.0 B yen
	(Overseas sales*)	17.5 B yen	21.7 B yen	+ 4.2 B yen	25.0 B yen
	Sales ratio	11.1%	12.9%	+ 1.8pt	14.7%
	Operating income	6.37 B yen	6.42 B yen	+ 0.05 B yen	7.0 B yen
	OI margin	4.0%	3.8%	- 0.2pt	4.1%
	Net income attributable to owners of parent	4.10 B yen	3.47 B yen	- 0.62 B yen	4.30 B yen
Capital Efficiency	ROE	6.3%	5.1%	- 1.2pt	7.2%
	ROIC	5.6%	5.5%	- 0.1pt	5.4%
	WACC <small>*Estimated by Earth Corp</small>	4.6%	4.7%	+ 0.1pt	4.1%
Financial health	D/E ratio	0.15x	0.07x	- 0.08x	0.3~0.4x
Shareholder returns	DOE	4.0%	3.9%	- 0.1pt	maintain 4% level

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*On a management accounting basis. 23
Consolidated adjustments, e.g., internal eliminations not included.

- I will explain the progress we have made towards the 2026 targets set out in the medium-term business plan.
- Looking back at 2024 from a numerical perspective, the situation is as follows. In terms of sales, we have already come close to the level indicated in the medium-term business plan, and the point now is how to improve profitability. In terms of capital efficiency, there has been a slight decline compared to 2023, but this is within expectations. As I will explain later, we expect to make steady progress towards the 2026 target for ROE.

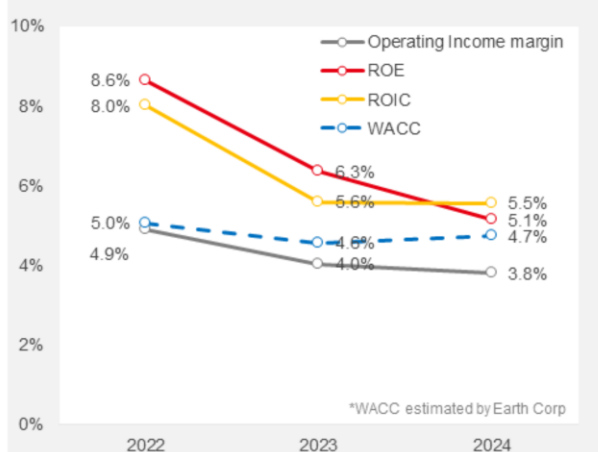
Profitability & Capital Efficiency Status Update



(Unit: 0.1 B JPY)

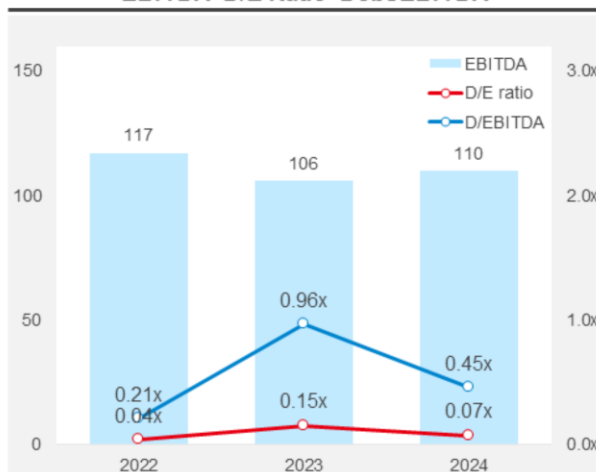
- ROIC more or less in line with the previous year. Expected WACC rose slightly and EVA spread decreased slightly YoY.
- Debt decreased thanks to working capital optimizations, e.g., improvements in inventory efficiency. Also delivered improvements in Debt/EBITDA.

Profitability & Capital Efficiency



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EBITDA · D/E Ratio · Debt/EBITDA



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- Here is a visual representation of our capital efficiency.
- We are currently managing our business while keeping a close eye on both ROE and ROIC. While ROIC was almost the same as the previous year, WACC increased slightly, and as a result, the EVA spread decreased slightly compared to 2023. On the other hand, as a result of improvements in working capital efficiency, such as improvements in inventory efficiency, borrowings decreased and Debt/EBITDA also improved.



Earth Corporation

FY 12/2025 Forecast Outline

- I will explain about the forecast outline for FY25 from now on.

Business Portfolio Targets



- Leverage the 4 pillars of our operations in Japan, Overseas, the General Environment and Sanitation Business, and MA-T to grow profits.

Japan	Overseas	General Environment and Sanitation Business	MA-T
<p>Minimize seasonality effects to secure core profit for our business</p> <ul style="list-style-type: none"> Maintain No.1 market share (Insecticides & repellents, bath salts) Secure profits in household products <ul style="list-style-type: none"> Mouthwashes & air fresheners Masks for household use New growth categories <ul style="list-style-type: none"> Gardening supplies Pet supplies 	<p>Overseas business as a growth driver with a special focus on ASEAN</p> <ul style="list-style-type: none"> Achieve No.2 position in the global market for insecticides & repellents. Expand operations with a focus on 24 countries Nurture global brands: <ul style="list-style-type: none"> Insecticides & repellents Oral care Air fresheners 	<p>Secure steady profits</p> <ul style="list-style-type: none"> Put in place 3 pillars of technical expertise, training, and specialization Improve quality control support service through environmental doctors Expand services to new domains and build a business foundation for sustained growth 	<p>Develop a new business immune to seasonality factors</p> <ul style="list-style-type: none"> Secure stable profits in the liquid solutions business Build business model through license PF Real-world application of MA-T® as a technology capable of helping solve social issues
<p>[Main initiatives in FY2025]</p> <ul style="list-style-type: none"> Price revision for one of our core profitability lineups: Earth-no-mat. Increase advertising spend and proactively carry out marketing initiatives to improve WTP. 	<p>[Main initiatives in FY2025]</p> <ul style="list-style-type: none"> Strategy to capture the Top 15 accounts in each country. Expand shipments of insecticides & repellents brands. (aerosols, insect repellents) Grow touchpoints with government agencies. 	<p>[Main initiatives in FY2025]</p> <ul style="list-style-type: none"> Aim for 70% of sales to come from annual contracts. Enhance technical R&D and human resources training with the Saito General Research Institute as a main base. 	<p>[Main initiatives in FY2025]</p> <ul style="list-style-type: none"> Brand awareness campaign at Expo 2025 Osaka, Kansai, Japan to promote real-world implementations of MA-T.

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- Our business portfolio remains unchanged, and we aim to increase profits through our four main pillars: domestic, overseas, General Environment and Sanitation Business, and MA-T.
- We are working to secure profits in Japan while earning profits overseas for the future. We are proceeding with our domestic and overseas businesses separately. We will also work on the General Environment and Sanitation Business, and develop it into one of our two main businesses. We are also steadily expanding the scale of sales for MA-T, which we are working on as a way of sowing the seeds for the future. We aim to eliminate accumulated losses, and we expect that this will contribute to the future profits of our group. In these four areas, we want to work on everything, from what we need to do right now, to what we need to do a little further into the future, and what we need to do even further into the distant future.

2025: Forecast Highlights



(Unit: 0.1 B JPY)

- Expect one-off expenses (1.5 B yen) associated with structural reform, e.g., preparations toward management integration with BATHCLIN Corporation, etc.
- Despite an increase in fixed expenses, especially personnel & advertising, we expect greater earnings power will allow us to deliver an operating income performance exceeding LFY's results.

	2025 Forecast	Highlights	2024 Results
Sales	1,750	• Achieve the MTBP target 1 year ahead of schedule.	1,692
Gross Profit	723.0	• Price revisions to contribute to profitability improvement. • Impact of higher raw material prices is expected to be limited compared to previous years.	689.6
SG&A Expenses	658.0	• +1.5 B yen vs. 2024 in advertising expenses in order to increase WTP. • Expect 1.5 B yen in one-off expenses including structural reform expenses.	625.4
Operating Income	65.0	• Aim for same level of operating Income as of 2024, while having one-off expenses & higher expenses toward future growth.	64.2
Net Income attributable to owners of parent	43.0	• Conservative non-operating income/expenses forecast. • Don't expect any significant extraordinary income/loss items.	34.7
ROE	6.2%	• Expect a +1.1pt improvement vs. 2024. • Expect strong results vs. the MTBP targets.	5.1%

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- The figures for the 2025 forecast are as follows.
- This is the forecast for 2025, as progress towards the final year of the medium-term business plan in 2026. We are planning sales of 175 billion yen, 103% of the previous year, and we expect to achieve the medium-term business plan target one year ahead of schedule. I believe our earning power is steadily improving. We want to make sure we finish this fiscal year well, with our sights set on the final year of the medium-term business plan in 2026. Also, at this point we do not expect any major extraordinary losses this fiscal year. We are aiming to improve ROE to the 6% level.

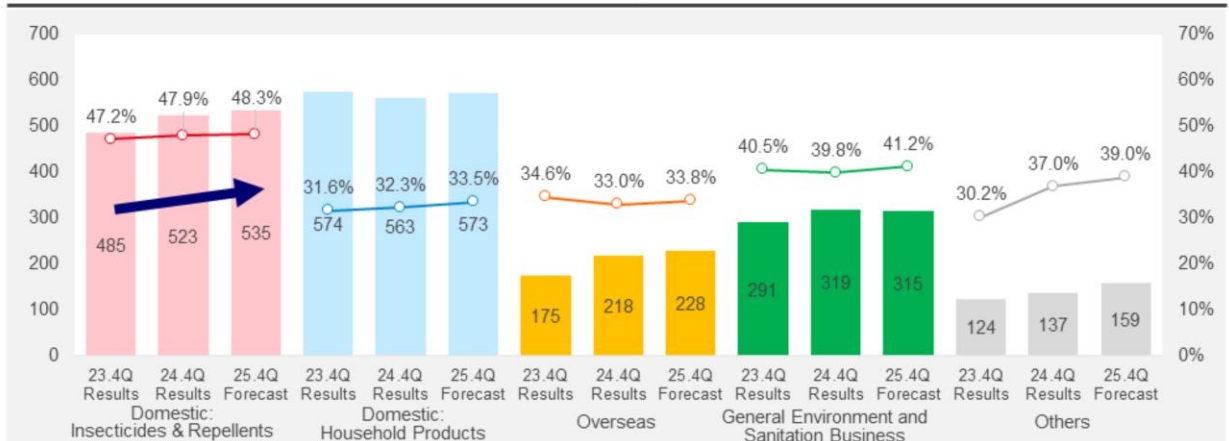
Management Accounting Basis: Sales / GPM (2024 vs. 2025)



(Unit: 0.1 B JPY)

- Domestic - Insecticides & Repellents: We expect higher sales & profits thanks to price revisions leveraging the strength of our brand.
- Domestic - Household Products: We plan the active deployment of advertising resources, balancing this with sales & profitability more or less in line with FY2023 results.
- Overseas: We expect further growth in FY2025 for this business as a sales growth driver.
- General Environment and Sanitation Business: Conservative sales target; Expect profitability improvements.

Sales / GPM by Portfolio



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*On a management accounting basis. 28
Consolidated adjustments, e.g., internal eliminations not included.

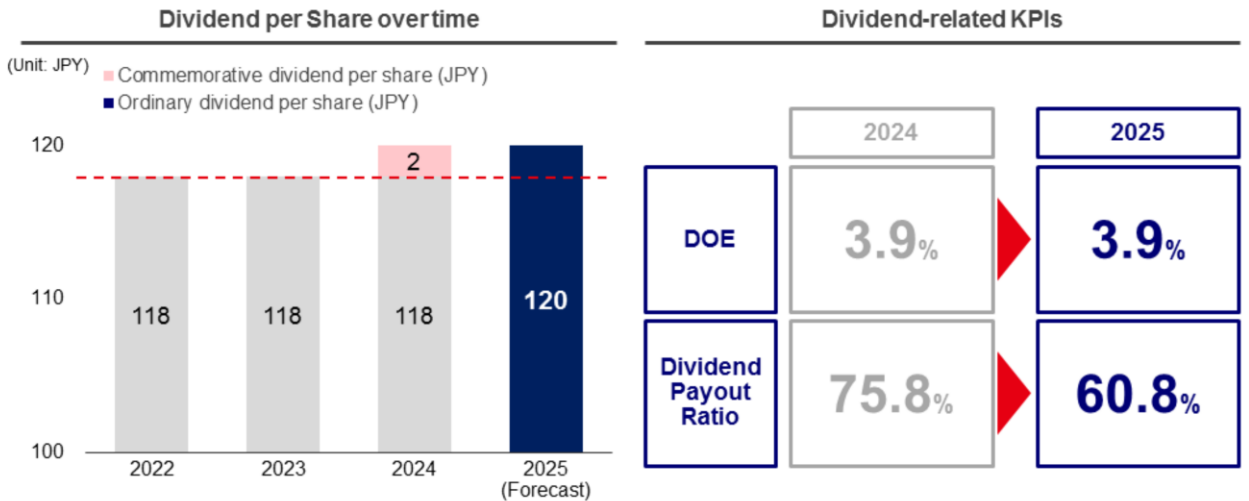
- This is based on management accounting.
- We are planning to increase revenue in Japan, overseas and other areas, and we have set a slightly conservative forecast for General Environment and Sanitation Business. We are working to achieve even better results.

Shareholder Returns



【Shareholder Returns Policy】

- Earth is committed to the distribution of stable dividends and will consider dividend raises and share buybacks in a flexible manner comports with company results and retained earnings.
- 2025: We are guiding for a **2 JPY increase** in the dividend per share to **120 JPY/share**.



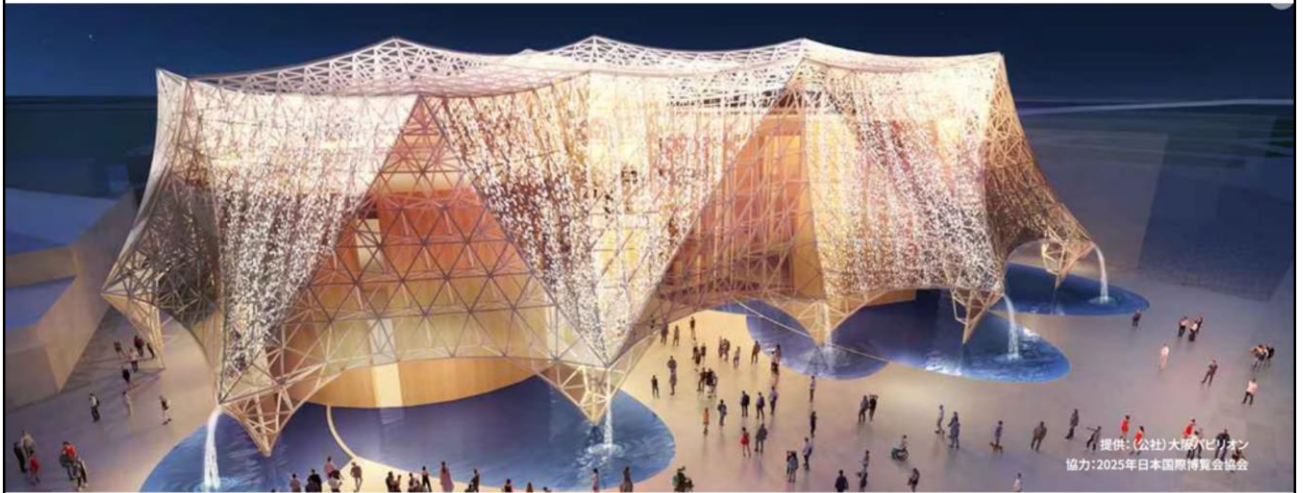
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- This is about shareholder returns.
- We see this as an important policy and base our thinking on stable dividends. We have set a KPI of 4% DOE, but we are aware that in 2024 and 2025, we fell slightly short of this at 3.9%. In 2024, we paid a commemorative dividend of 2 yen. In 2025, we plan to pay a dividend based on 120 yen.

Japan MA-T Industrial Association will hold an exhibited titled “Future Healthcare”
at the Osaka Healthcare Pavilion at the Expo 2025 Osaka-Kansai.

～Future oral care and environmental care through MA-T / Bringing smiles to pets and families～



Osaka
Healthcare
Pavilion
Nest for Reborn



日本MA-T工業会

- At last, we would like to introduce this as an topic.
- This year, the Osaka Expo will be held. MA-T is exhibiting in the “Future Healthcare ” zone of the Osaka Healthcare Pavilion. MA-T has selected for the Expo because of the high assessment by the government. We would like to take this opportunity to introduce MA-T to you, and we hope that you will visit the Expo and raise its social recognition.



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.

- That concludes my explanation. Thank you for listening.