

- This is Yamamoto from Earth Corporation.

- Today (November 9, 2026) at 3:30 p.m., we announced our third-quarter financial results for the fiscal year ending December 2026.

- Today, I will explain the details of those results.

- Afterward, I would like to answer any questions you may have.

- Now, let me begin my presentation.

Executive Summary

FY26 3Q Results

Sales: ¥148.9 B (vs. forecast: -1.3%; -¥2.0 B)

Operating Income: ¥11.8B (vs. forecast: -1.0%; -¥0.11 B)

- **Sales:**
  - Domestic Insecticides & Repellents: Due to unfavorable weather in August and September, shipments fell short of expectations, and the plan was not met.
  - Domestic Homecare Products: Sales of bath products declined slightly due to a loss of internal sales at Bathclin, but sales actually increased. Sales in oral hygiene declined and fell short of plan due to the rebound from last year's major renewal of the Mondamin series (end of August).
  - Overseas: Although the situation varied by region, overall sales increased across different regions.
  - General Environment & Sanitation:
    Steady growth in contract numbers leading to favorable performance.
- **Gross profit:** The gross profit margin declined due to rising raw material costs caused by factors such as the situation in the Middle East.
- **SG&A:** Although these expenses increased compared to the previous period, they remained within budget.

Impact of the situation in the Middle East

Costs for raw materials, packaging materials, and other items have risen. There are no changes to the forecast compared to the projections made in the second quarter. We will address the rise in cost of goods sold by passing on the increased costs to prices over the current and next fiscal years.

Outlook for the Current Fiscal Year

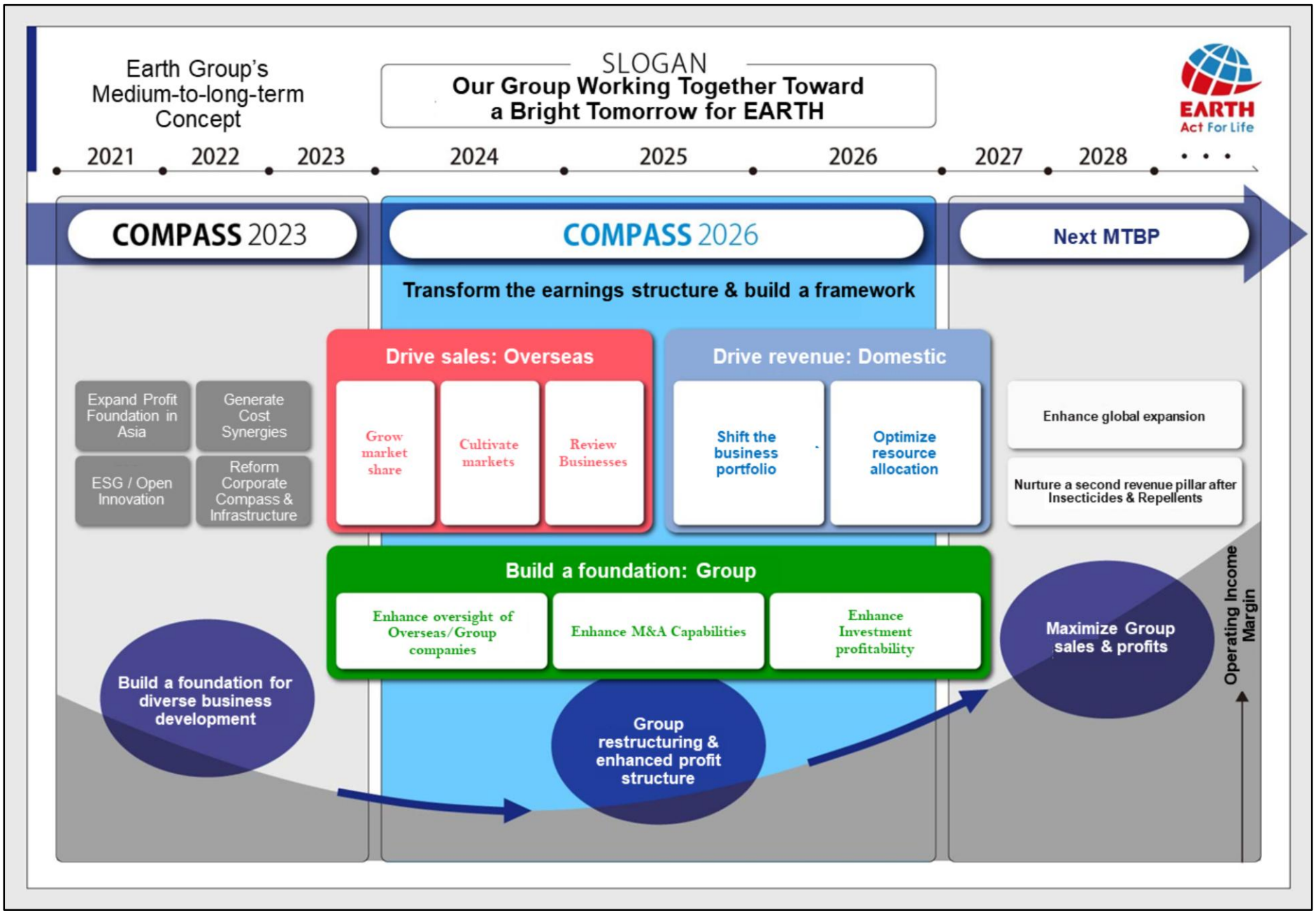
Although we have not made any changes to our full-year earnings forecast at this time, we are carefully reviewing it in light of conditions in the third quarter, including the risk of returns for Insecticides & Repellents and trends in raw material prices.

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Earth Corporation

3Q FY2026 Results Overview

- Now, I'll provide an overview of our third-quarter financial results.

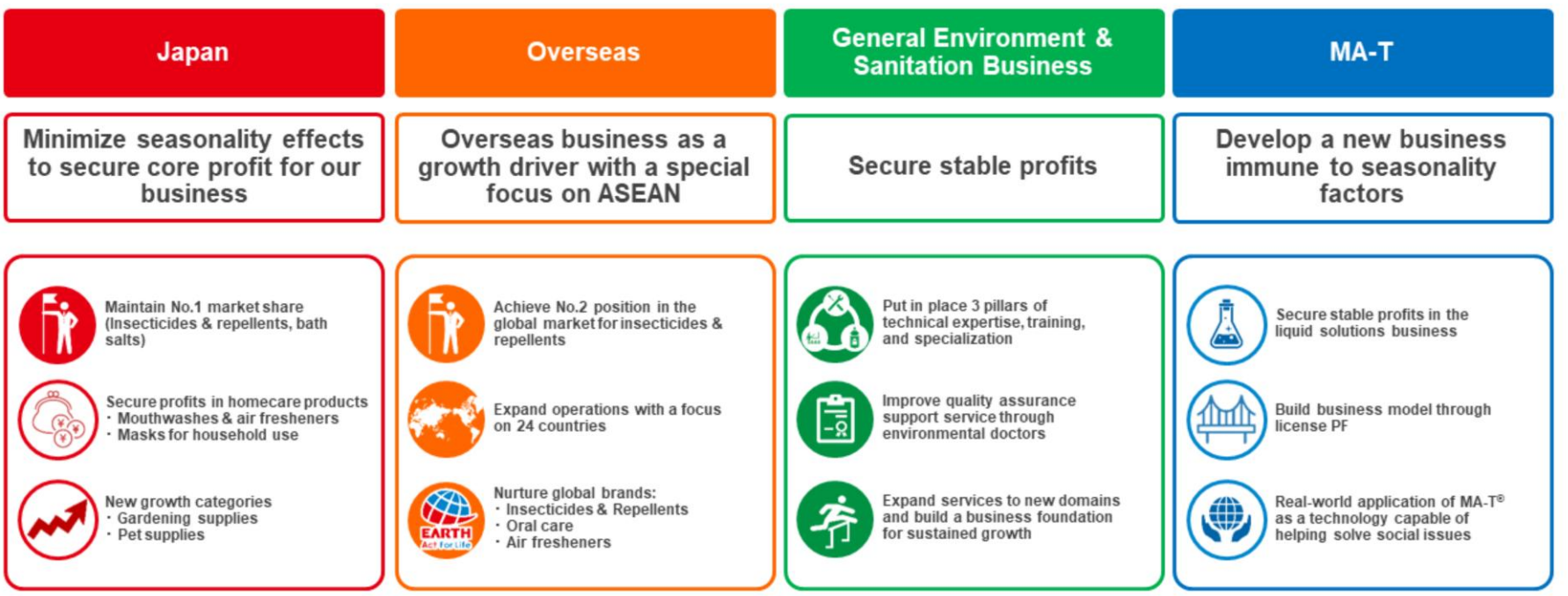


- This is the Earth Group's medium- to long-term vision.

This fiscal year marks the final year of our current medium-term business plan.

Business Portfolio Targets

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



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- There are no changes to our target business portfolio compared to what we have discussed in previous earnings briefings. We will aim to expand our revenue through our four core pillars: domestic, overseas, General Environment & Sanitation business, and MA-T.

Financial Result Highlights

- vs YoY: Although Sales increased, profits at all levels down to operating income declined due to a rise in the cost-of-sales ratio and higher SG&A expenses.
- vs Forecast: Sales fell short of the forecast. Although SG&A expenses remained within the forecast, operating income fell short of the forecast due to gross profit falling short of the forecast as a result of a rise in the cost-of-sales ratio.

(Unit: 0.1 billion JPY)

	25.3Q Results		26.3Q Forecast		26.3Q Results		Comparison			
	Amount	% Sales	Amount	% Sales	Amount	% Sales	YoY	YoY(%)	vs. Forecast	vs. Forecast(%)
Sales	1,429.5	100.0%	1,510.0	100.0%	1,489.9	100.0%	60.4	104.2%	-20.0	98.7%
COGS	818.9	57.3%	870.5	57.6%	869.2	58.3%	50.3	106.1%	-1.2	99.9%
Gross Profit	610.6	42.7%	639.5	42.4%	620.7	41.7%	10.1	101.7%	-18.7	97.1%
SG&A	477.8	33.4%	520.0	34.4%	502.3	33.7%	24.4	105.1%	-17.6	96.6%
Operating Income	132.7	9.3%	119.5	7.9%	118.3	7.9%	-14.3	89.2%	-1.1	99.0%
Ordinary Income	136.0	9.5%	123.3	8.2%	119.5	8.0%	-16.5	87.9%	-3.7	96.9%
Net Income attributable to owners of parent	90.2	6.3%	84.3	5.6%	75.7	5.1%	-14.5	83.9%	-8.6	89.8%

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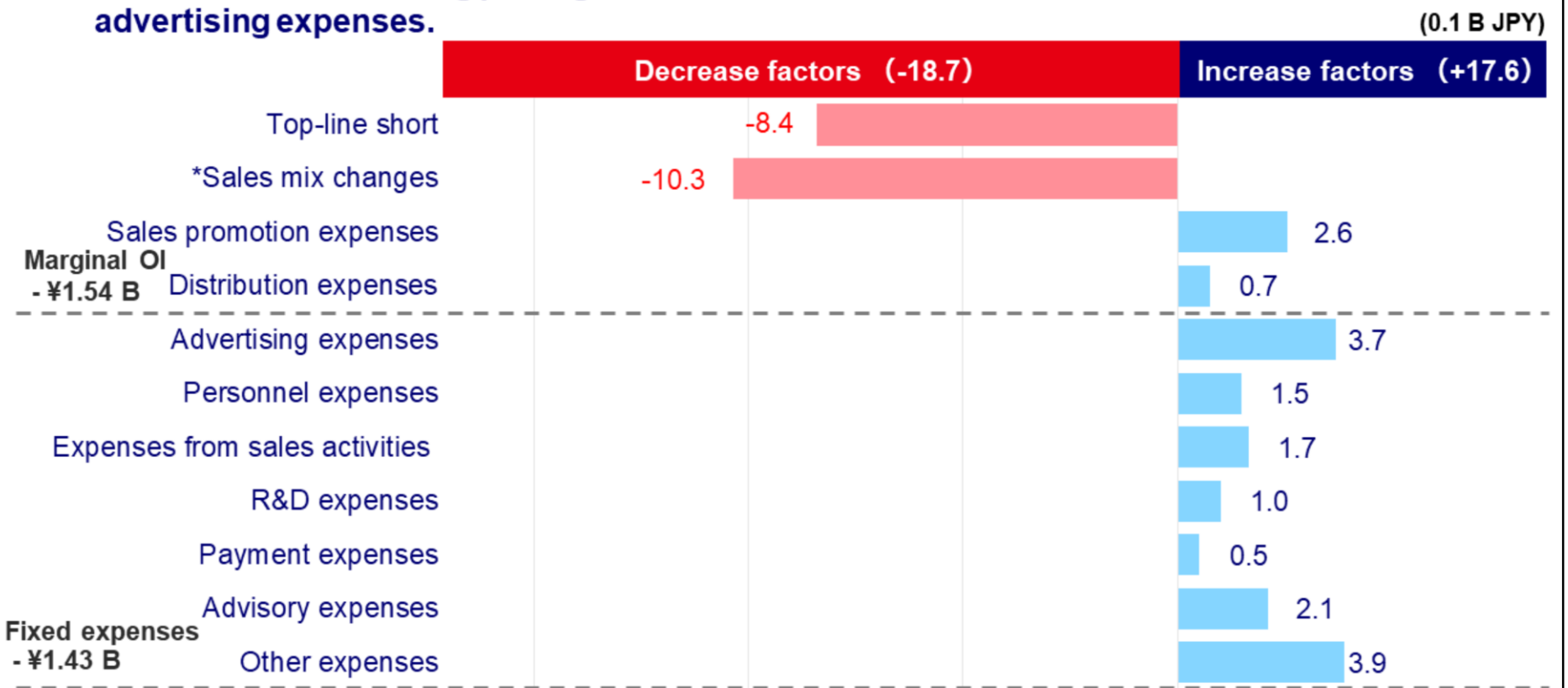
- Here are the highlights of our third-quarter financial results.

- Compared to the same period last year, revenue increased by 4.2%; however, due to a rise in the cost-of-sales ratio and an increase in selling, general, and administrative expenses (SG&A), profits at all levels including operating income declined.

- Furthermore, compared to our forecast, while sales fell short of the forecast and SG&A remained within the forecast range, the failure to meet the gross profit target due to the rise in the cost-of-sales ratio resulted in operating income also falling slightly short of the forecast.

Operating Income Change Factors (vs. Forecast)

- In addition to falling short of sales forecasts, rising cost of goods sold—driven by changes in the sales mix and soaring raw material prices—will weigh on profits.
- The main factors driving profit growth are the reduction and non-use of fixed costs, such as advertising expenses.



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*Sales mix changes include the impact of exchange rate fluctuations.

- This chart shows the factors affecting operating income, compared to the forecast.

- In addition to falling short of the sales forecast, a rise in the cost-to-sales ratio—driven by changes in the sales mix and soaring raw material prices—contributed to the decline in profits.

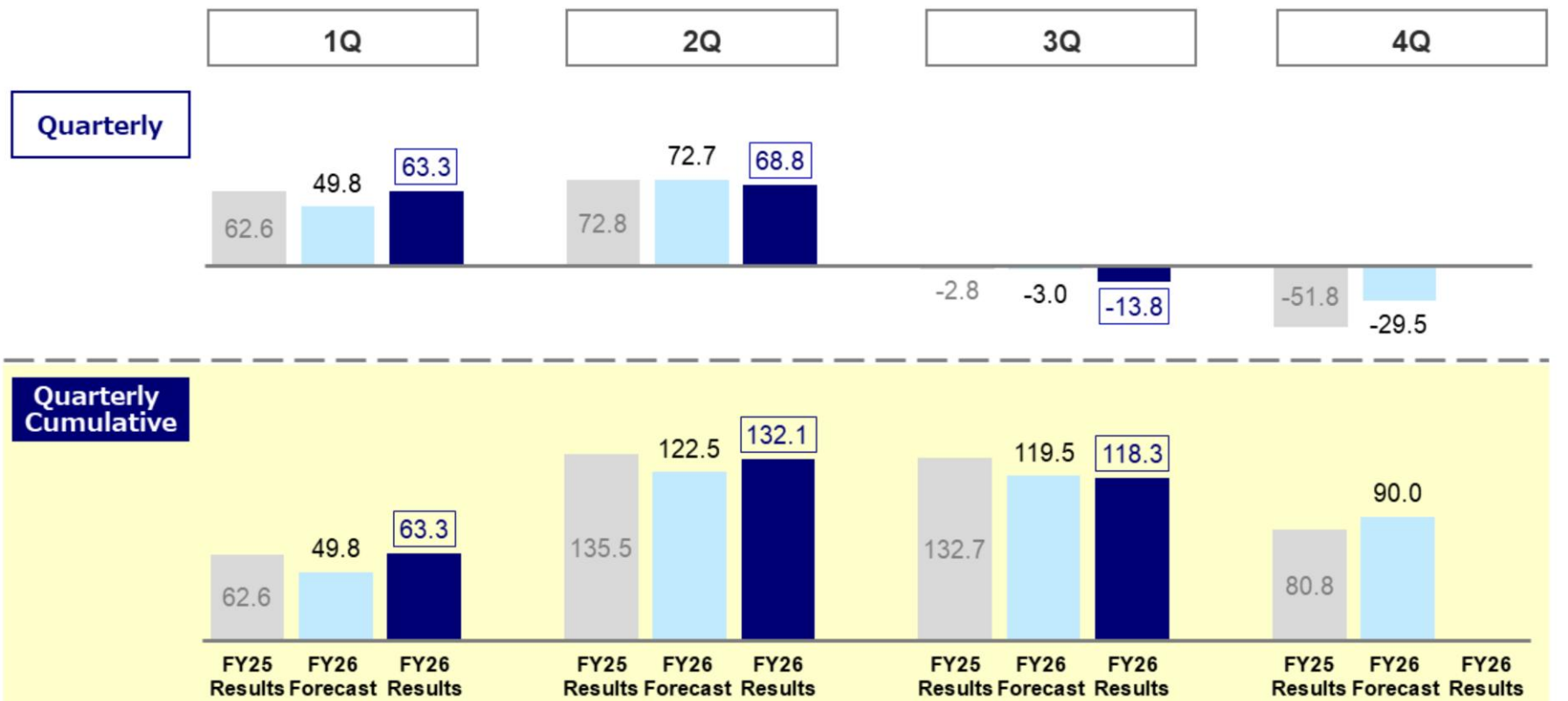
- On the other hand, the main factors contributing to increased profits were the reduction and non-utilization of fixed costs, particularly advertising expenses.

- As a result, operating income came in 110 million yen below the forecast.

Progress vs. OI Target (Quarterly/Cumulative)

- Operating income for the first three quarters totaled 11.83 billion yen (110 million yen below target).
- The excess over the forecast in the first two quarters (+960 million yen) was almost entirely offset by the shortfall in the third quarter (-1.08 billion yen).

(Unit: 0.1 billion JPY)



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- This chart shows the progress of operating income on a quarterly and cumulative basis.

- As of the end of the second quarter, cumulative operating income stood at 13.21 billion yen, exceeding the forecast by 960 million yen; however, operating income for the third quarter was a loss of 1.38 billion yen, falling short of the plan by 1.08 billion yen.

- This shortfall in the third quarter has effectively offset the excess over the forecast achieved in the first two quarters.

- I will explain the factors affecting profit fluctuations in the third quarter in detail on the next slide.

Operating Income Change Factors

vs. Forecast, 3Q (Jul.-Sep.)

- Operating income for the 3Q fell short of the forecast by 1.08 billion yen, a significant shortfall.
- The main factors were: (1) sales of pest control products falling short of the target due to unfavorable weather;
  (2) a decline in sales of "Mondamin" following its relaunch the previous year; and
  (3) a decrease in gross margin due to rising raw material prices and changes in the sales mix.

	vs forecast	vs forecast (%)	External Factors	Internal Factors
Sales	-¥2 B	95.1%	**Insecticides & Repellents (vs 3Q(Jul.-Sep.) forecast:90.9%)** Sales fell short of the plan due to record-breaking rainfall and a lack of sunshine from August through September, which led to sluggish sales at retail stores.	**Oral hygiene products (vs 3Q(Jul.-Sep.) forecast:94.8%)** As a result of the backlash from the major overhaul of the "Mondamin" series in August of the previous year, shipments in the 3Q were 67% of the previous year's level. They also fell short of projections at 92% of the target, dragging down the overall oral hygiene products category.
Gross Profit	-¥1.3 B	91.9%	**Rise in COGS** Costs for raw materials, containers, and packaging materials rose due to the situation in the Middle East. Because of the time lag between receiving raw materials and the subsequent production and sales processes, the impact of higher costs was more pronounced in the 3Q than in the 2Q. The full-year outlook remains unchanged from the projections made in the 2Q.	**Changes in the Product Mix** Failure to meet sales targets for oral hygiene products, which have relatively high gross profit margins. A decline in gross profit margins due to changes in the sales mix within the Insecticides & Repellents category.
Gross Profit Margin	-1.3pt	-		

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- As I mentioned earlier, operating income for the third fiscal quarter fell short of the forecast by 1.08 billion yen, representing a significant shortfall.
- There are three main factors. First, sales of Insecticides & Repellents fell short of the forecast due to unfavorable weather conditions. Second, there was a rebound effect following the previous year's relaunch of "Mondamin." Third, the gross profit margin declined due to soaring raw material prices and changes in the sales mix.
- First, regarding net sales. Net sales for the third fiscal quarter fell short of the forecast by approximately 2 billion yen, reaching 95.1% of the forecast. For Insecticides & Repellents, record-breaking rainfall and a lack of sunshine from August through September led to sluggish sales at retail stores, resulting in third-quarter sales reaching only 90.9% of the forecast.
- In the oral hygiene products segment, shipments for the third fiscal quarter fell short of expectations at 67% of the same period of the previous year and 92% of the forecast due to a rebound effect following the major relaunch of the "Mondamin" series in August of the previous year; as a result, the segment as a whole reached 94.8% of the forecast.
- Next, gross profit fell short of the forecast by approximately 1.3 billion yen, reaching 91.9% of the forecast, and the gross profit margin declined by 1.3 percentage points compared to the forecast. An external factor was the rise in costs for raw materials and other items due to the situation in the Middle East. Given the nature of our business, which handles seasonal products, there is a time lag between the receipt of raw materials and production and sales; consequently, the impact of higher costs became more pronounced in the third quarter than in the second quarter.
- Internally, the gross profit margin declined due to the fact that sales of oral hygiene products—which typically have a relatively high gross profit margin—fell short of the forecast, as well as changes in the sales mix within the Insecticides & Repellents category.

Impact of the situation in the Middle East

■ **Although rising costs for raw materials, packaging materials, and other items are expected to have a negative impact of approximately 1 billion yen on operating income for the current fiscal year to date, we are taking measures such as passing on price increases. (No change from the 2Q forecast.)**

Estimated Impact (FY 2026)

Estimated profit impact: Approximately ¥1 billion

- **Higher prices for organic acids, the principal raw material in bath salts, were a factor.**
- **Rising prices for raw materials used in aerosols for Insecticides & Repellents (such as LPG) have also had a significant impact.**

Breakdown of Estimated Impact

Impact by Category

Initiatives & FY 2026 Outlook

- **Starting in September, we will implement price adjustments primarily for homecare products such as bath salts.**
- **Anticipated recovery through price pass-through and cost control.**

Impact on FY 2027

- **Because we build inventory for Insecticides & Repellents during the fall and winter, we expect this cost impact to carry over into the next fiscal year.**
- **While much depends on how the situation in the Middle East unfolds, we are monitoring it closely and evaluating both additional price adjustments and the use of alternative raw materials.**

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- Next, I would like to once again explain the impact of the situation in the Middle East on our company's performance.

- As tensions in the Middle East escalate, costs for raw materials, containers, and packaging materials are rising. If the current situation continues, we anticipate a negative impact of approximately 1 billion yen on operating income for the current fiscal year, as initially projected.

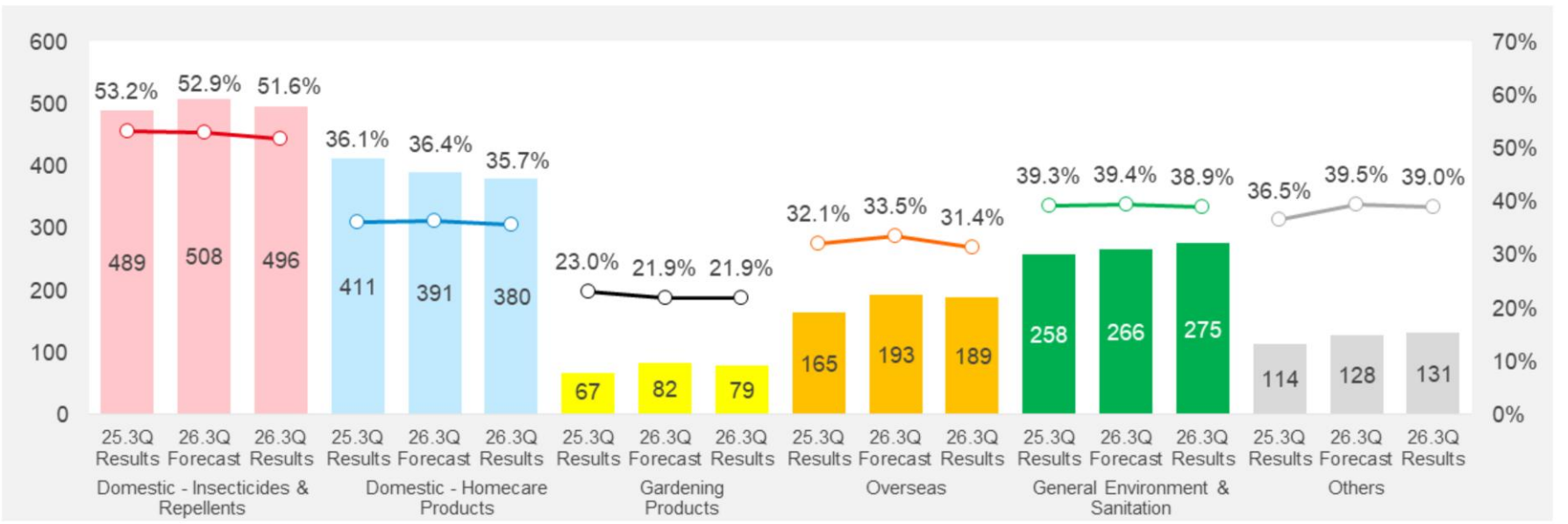
- In response, we have been implementing price adjustments on approximately 150 products—primarily daily necessities such as bath salts—since early fall.

- Additionally, since we conduct stockpiling production for Insecticides & Repellents from fall through winter in preparation for shipments the following year, we anticipate that a certain degree of impact will continue into the next fiscal year and beyond. We will continue to closely monitor developments in the Middle East while exploring options for passing on price increases and identifying alternative raw materials.

Management Accounting Basis: Sales/GPM (25 vs. 26)

- **Domestic - Insecticides & Repellents: Sales fell short of forecast due to unfavorable weather conditions. The gross profit margin declined due to changes in the product mix.**
- **Domestic - Homecare Products: Although sales of air fresheners remained strong, Sales declined, primarily due to a drop in oral hygiene products. Sales of bath salts decreased slightly due to the loss of internal sales from Bathclin, but in real terms, Sales increased.**
- **Gardening Products: Results came in below plan, but we still achieved year-on-year growth.**
- **Overseas: Overall sales grew despite mixed results across different regions.**
- **General Environment & Sanitation: Continued delivering stable growth.**

Sales / GPM by Portfolio **(Unit: 0.1 billion JPY)**



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

- I will explain the status of each portfolio based on management accounting figures.

- Regarding domestic Insecticides & Repellents , although revenue increased compared to the previous year, sales fell short of the forecast due to unfavorable weather in the latter half of the season, and the gross profit margin declined due to changes in the product mix.

- Regarding homecare products, while deodorizing air fresheners performed well, sales declined, primarily due to a decrease in sales of oral hygiene products. For bath salts, sales declined slightly due to the elimination of internal sales from the former Bathclin Corporation; however, on a like-for-like basis, sales actually increased.

- For gardening products, although sales fell short of the forecast, they grew compared to the previous year.

- Overseas, while there were variations by region, overall sales increased.

- In the General Environment & Sanitation business, revenue exceeded both the previous year’s figures and the forecast, continuing its stable growth.

Domestic: Insecticides & Repellents Status Update

- The domestic Insecticides & Repellents market saw a slight increase, reaching 101.2% of the cumulative total from the previous period, but due to record-breaking rainfall and a lack of sunshine in August and September, sales in the second half of the season continued to fall short of the previous year's levels week after week.
- The new "OH! No-Mat" series performed well throughout the season.

Market landscape & Earth's Market Share

	【Market YoY】	【Earth's Market Share】
As of 6/30	103.0%	60.2%
As of 9/30	➡ 101.2%	➡ 59.9% (+0.9pt)



Momentum of key new products

"OH! No-mat" lineup

vs. forecast 124.7%



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- Next, I will explain the status of each business segment. First, I'll cover Insecticides & Repellents.

- As of the end of September, the Insecticides & Repellents market had reached 101.2% of the previous fiscal year's cumulative total. While the market had expanded to 103.0% of the previous fiscal year's level as of the end of June, record-breaking rainfall and a lack of sunshine from August through September resulted in weekly sales falling below the previous year's levels for the remainder of the season.

- Even so, our market share remained at 59.9%, up 0.9 percentage points from the previous year.

- Sales of our flagship new product, the "OH! No-Mat" series, performed well throughout the season, reaching 124.7% of our forecast.

Domestic: Homecare Products Status Update (Oral Hygiene)

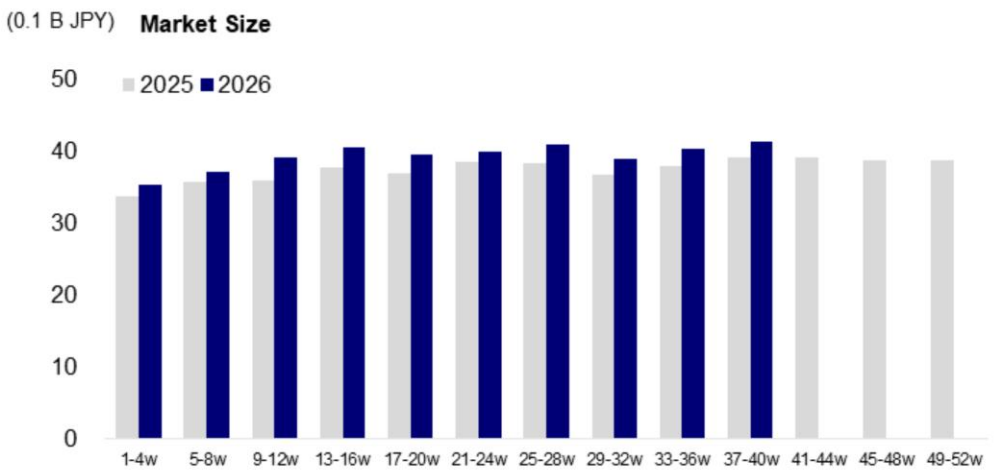
- Market share ticked up to 18.8%, outpacing the broader market's 6.0% YoY growth.
- Sales of the "Mondamin" series, which underwent a relaunch at the end of August last year, remained strong, reaching 110.8% of the previous period's level. On the other hand, due to a rebound effect following the initial surge associated with the relaunch, shipments fell below the previous year's level, reaching 91.1% of the previous period's figure.

Market landscape & Earth's Market Share

As of 9/30

【Market YoY】 **106.0%**

【Earth's Market Share】 **18.8%** (+0.6pt)



"MONDAMIN" Lineup Shipment

MONDAMIN lineup

YoY **91.1%**

vs. forecast **95.0%**



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- Next, we'll look at the status of homecare products. First, oral hygiene products.

- As of the end of September, the mouthwash market had expanded to 106.0% of the previous period's level, and our market share stood at 18.8%, up 0.6 percentage points from the previous year.

- The "Mondamin" series, which underwent a major relaunch at the end of August last year, has been performing well, with in-store sales volume at 110.8% compared to the previous period.

- On the other hand, shipments were at 91.1% of the previous period's level and 95.0% of the forecast, falling below the previous year's figures. This is due to a pullback following the strong initial shipments associated with last year's relaunch.

Domestic: Homecare Products Status Update (Bath salts)

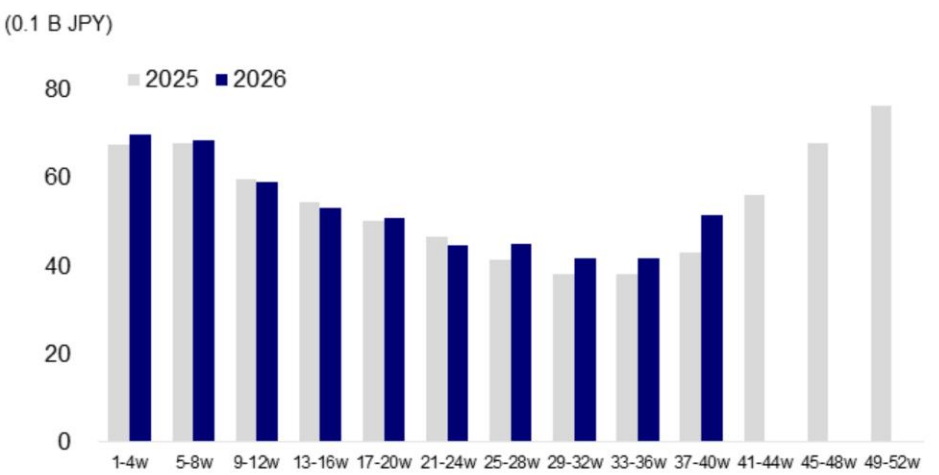
- The overall market expanded to 103.8% of the previous period's level. While the market share of Enjoy types increased, the market share of powder-type products such as “Bath Roman” and “Bathclin” declined.
- “ONPO”, “BARTH”, and Hakugen Earth’s variety packs “Iiyu tabidachi” all achieved significant YoY growth.

Market landscape & Earth’s Market Share

As of 9/30

【Market YoY】 **103.8%**

【Earth’s Market Share】 **40.9%** (-0.6pt)



Shipment trends for core products

“ONPO”	YoY	117.2%	
	vs forecast	113.6%	
“BARTH”	YoY	110.7%	
	vs forecast	104.1%	
“Bath Roman” “Bathclin”	YoY	91.1%	
	vs forecast	88.1%	

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- Next, here is an update on the bath salts market.

- As of the end of September, the market had expanded to 103.8% of the previous period’s level. By product type, while the market share of “Enjoy” types increased, the market share of powdered types—such as “Bath Roman” and “Bathclin,” where our company has a competitive advantage—declined. Consequently, our market share stood at 40.9%, down 0.6 percentage points from the previous year.

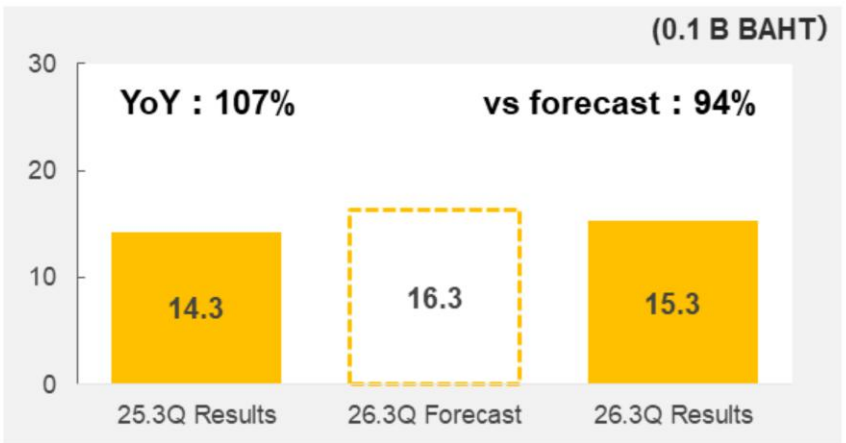
- Among our flagship products, “Onpo,” “BARTH,” and Hakugen Earth’s assortment-type product “Iiyu Tabidachi” are performing well.

In local-currency terms

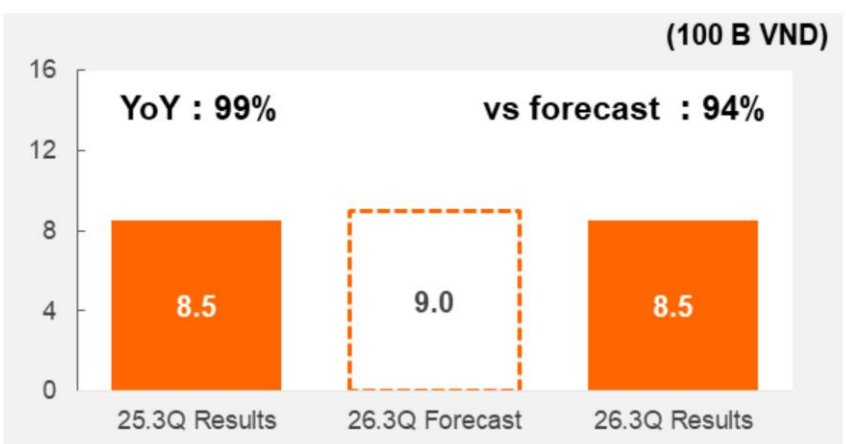
Overseas: Status Update (ASEAN Core)

Sales

Thailand



Vietnam



FY26 3Q Status

- Although we fell short of our sales target, our sales initiatives proved effective, and sales are on a recovery track, exceeding the previous year's figures.
- We will continue to strive to meet our sales target through measures such as the early distribution of new products and the strengthening of our sales offices.



- Prioritizing the maintenance of product brand value, we are curbing promotional spending to correct market selling prices.
- Rolling out targeted promotional campaigns ahead of the Tet holiday, our peak demand season.
- Strengthening sales of the GIFT brand of detergents.



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*Based on local subsidiary sales

- Next, I'll discuss the situation overseas. I will explain this in local currency terms.

- First, as a general premise, while overseas expansion is our top strategic priority, the phase of expansion varies by country.

- In Thailand and Vietnam—the core markets of ASEAN—we plan to prioritize expanding sales and market share while also ensuring profitability. In Malaysia and the Philippines, where the markets are relatively small, we will focus primarily on sales growth, while in China, we will proceed with expansion that emphasizes a balanced approach to profitability.

- In Thailand, sales reached 107% of the previous fiscal year's level, exceeding the prior year's figure. Although we fell short of our forecast, sales are on a recovery track thanks to the success of our sales initiatives. We will continue to strive to meet our forecast through measures such as the early distribution of new products and the strengthening of our sales offices.

- In Vietnam, sales were on par with the previous year but fell short of our forecast. This was due to our prioritization of maintaining product brand value and our decision to curb promotional expenses to correct retail prices in the market. Ahead of the Tet holiday in February—the peak demand period—we will implement sales promotion campaigns starting later this year and strengthen sales of our "GIFT" brand of laundry detergent.

In local-currency terms

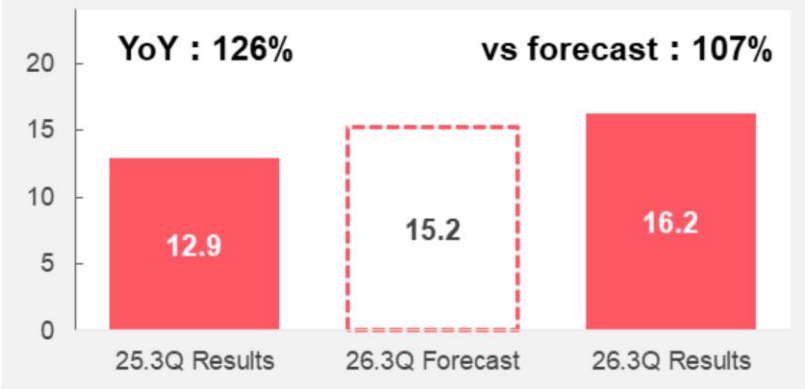
Overseas: Status Update (Expansion in ASEAN)

EARTH Act For Life

Sales

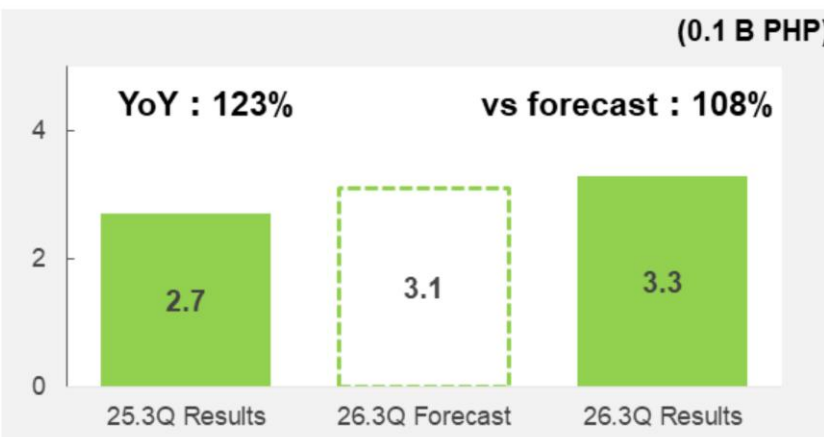
Malaysia

(1 M MYR)



Philippines

(0.1 B PHP)



FY26 3Q Status

- Strong momentum across both Insecticides & Repellents and Air Fresheners.
- Significantly outperformed YoY and vs. the plan, driven by expanded inline SKU listings at multiple key accounts.



- Insecticides & Repellents , particularly aerosols—which represent a large segment of the market—performed well, exceeding both the previous year's results and the company's projections.



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*Based on local subsidiary sales

- Next, here is an update on the situation in Malaysia and the Philippines.
- In Malaysia, sales of both cover Insecticides & Repellents and air fresheners are performing well. Thanks to increased adoption of our staple products by several major accounts, sales have significantly exceeded both the previous year's figures and our targets.
- In the Philippines, sales are performing well, particularly in the large-scale aerosol market, and have exceeded both the previous year's figures and our targets.

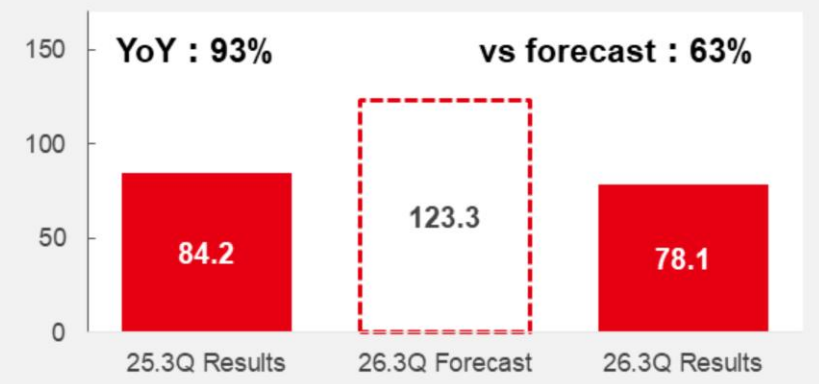
In local-currency terms

Overseas: Status Update (China, Exports)

Sales

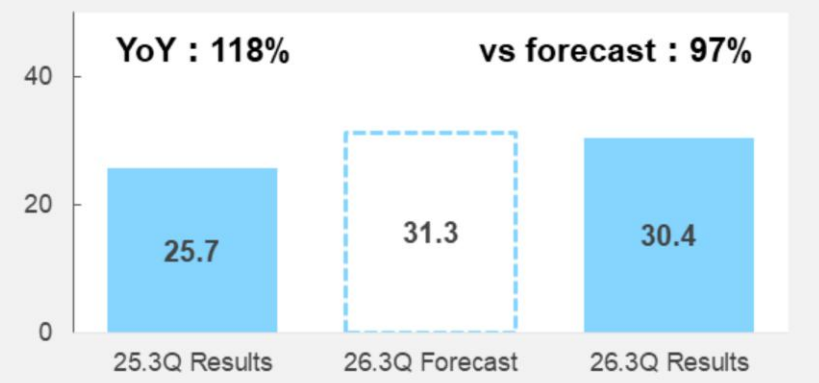
China

(1 M RMB)



Exports

(0.1 B JPY)



FY26 3Q Status

- While Insecticides & Repellents are performing well, homecare products such as mouthwash are falling short of projections.
- We will continue to focus on expanding into emerging channels while monitoring our profit balance.





- Sales to Saudi Arabia are recovering from the impact of the Middle East situation and exceeded the prior-year level.
- Sales remained strong in Hong Kong, Taiwan, and other countries, and overall results exceeded those of the previous year.







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*Based on local subsidiary sales

- Next, let's look at the situation regarding China and exports.

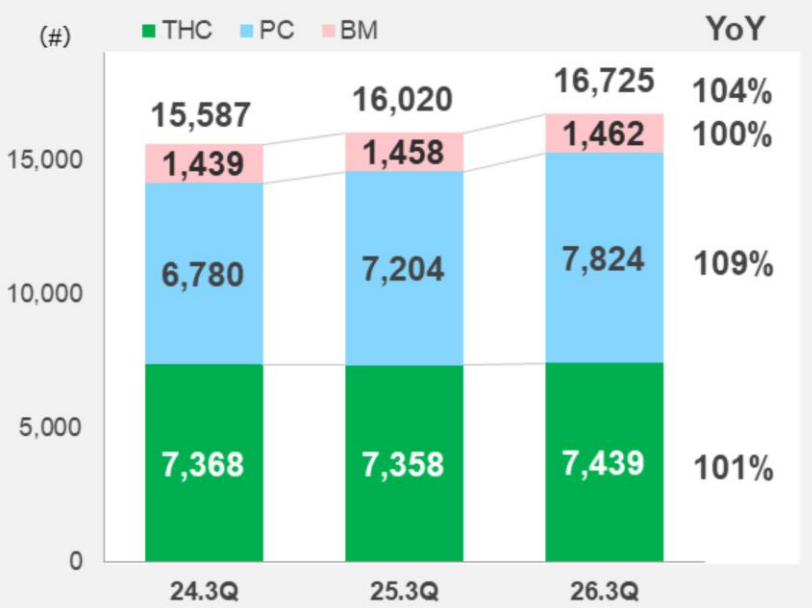
- In China, while Insecticides & Repellents performed well, homecare products such as mouthwash fell short of our forecast. We will continue to focus on expanding into emerging channels, such as Hema fresh, while maintaining a balance with profitability.

- Regarding exports, sales to Saudi Arabia are recovering from the impact of the Middle East situation and exceeded the previous year's figures. Sales also performed well in other markets, such as Hong Kong and Taiwan, resulting in overall exports exceeding the previous year's levels.

General Environment & Sanitation – Status Update

- **Rising demand for highly specialized, technology-driven hygiene services led to an increase in total contracts.**
- **The shift toward higher value-added services drove an increase in average contract value.**

General Environment & Sanitation - Trend in Annual Contract Numbers



Key Performance Drivers

External

- **Reports of foreign material contamination and changes in domestic legislation have led to greater client interest in hygiene control solutions.**
- **Increased capex spending in the manufacturing industry.**

Internal

- **Aggressive investment to enhance specialized expertise and technological R&D.**
- **Expand our testing facilities in the field of Life Sciences.**

*THC: Total Health Care; PC: Pest Control; BM: Building Maintenance

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- Our General Environment & Sanitation business continues to grow steadily.

- As of the third quarter, the number of annual contracts increased to 104% of the previous period’s level, and the unit price per contract has also risen as we continue to enhance the services we provide.

- We believe the main factors behind this growth include heightened customer awareness of hygiene management—driven by incidents of foreign object contamination and domestic legislative changes as well as increased capital investment in the manufacturing sector. Additionally, we attribute this growth to the growing demand for hygiene management services and the positive reception of our high-quality services, which are underpinned by our specialized knowledge and technical expertise.

Full-Year Earnings Outlook

- We are maintaining our full-year earnings forecast and are currently reviewing our outlook in light of current conditions.
- We anticipate risks related to returns of Insecticides & Repellents and the impact of rising raw material prices.

(Unit: 0.1 B JPY)

	2026 forecast	Major Factors Affecting Changes	2025 Result
Sales	1,880	(-) Returns of pest control products (+) Effects of price adjustment measures for homecare products	1,791.8
Gross Profit	789	(-) Returns of pest control products (-) Rise in COGS due to the situation in the Middle East (+) Effects of price adjustment measures for homecare products	747.3
SG&A	699	(-) Strategic investments (+) Expense control	666.4
Operating Income	90	-	80.8
Net Income	62	-	52.3

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- Finally, regarding our full-year earnings outlook for the current fiscal year.

- At this time, we have not revised our full-year earnings forecast from the forecast announced at the beginning of the fiscal year. However, in light of current conditions, we are currently conducting a detailed review of our earnings outlook.

- With regard to net sales and gross profit, we are assessing the impact of returns related to Insecticides & Repellents, for which in-store sales have stagnated due to unfavorable weather conditions in the latter half of the season.

- Regarding gross profit, the rise in the cost-to-sales ratio due to the situation in the Middle East will act as a downward pressure. On the other hand, the effect of price revisions for homecare products will act as an upward pressure.

- As for selling, general, and administrative expenses (SG&A), we will continue to control these costs effectively by making strategic investments where necessary while cutting unnecessary expenses.

- If, as a result of this review, we determine that a revision to the earnings forecast is necessary, we will disclose this promptly.

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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.

- This concludes our financial results briefing for the third quarter of the fiscal year ending December 2026.