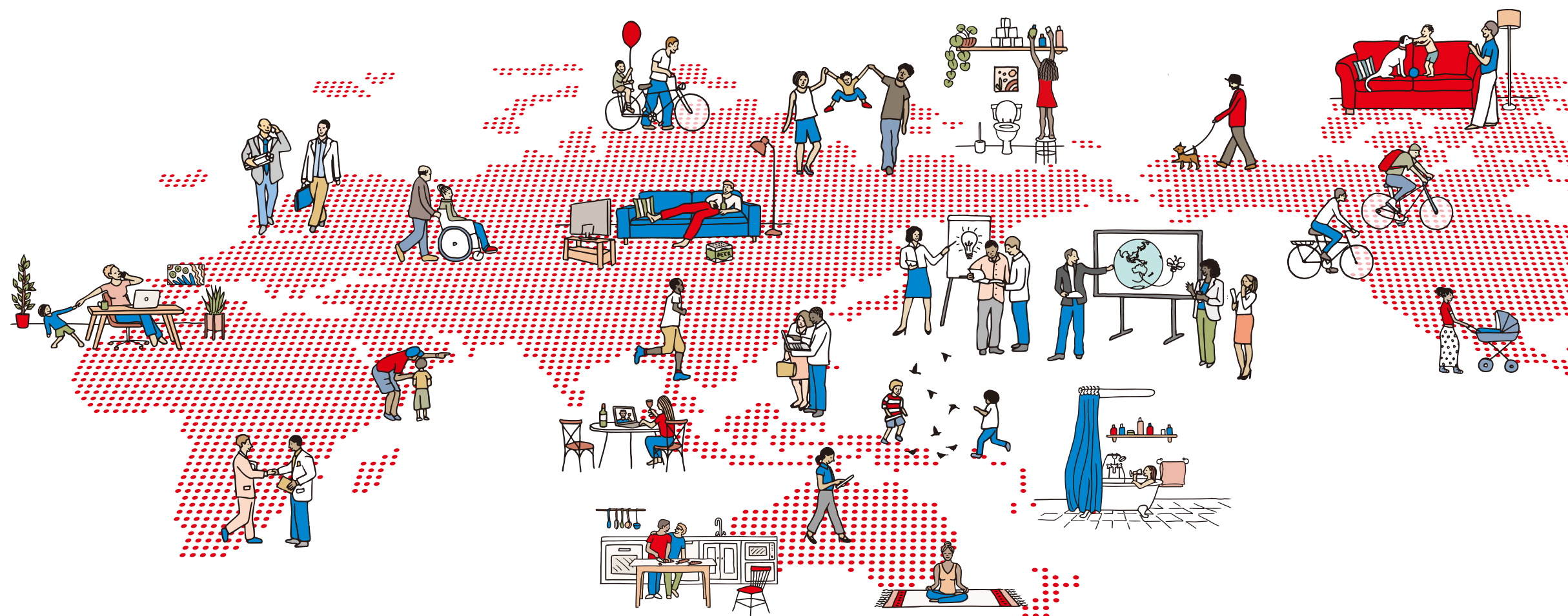


## Integrated Report 2025

### External Evaluations

|                                                                                     |                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>SOMPO Sustainability Index</b><br>Earth Corporation is included in the SOMPO Sustainability Index, a proprietary index created by Sampo Asset Management Co., Ltd.                                                                                                                                                                   |
|    | <b>CDP</b><br>Earth Corporation received a B rating in climate change and water security in a survey on climate change, forestry, and water security conducted by CDP, an international non-profit organization that evaluates climate change initiatives and transparency.                                                             |
|   | <b>Health &amp; Productivity Management Outstanding Organization 2025-White 500</b><br>Earth Corporation was recognized for the fifth consecutive year as a "Health & Productivity Management Outstanding Organization 2025-White 500," jointly selected by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. |
|  | <b>2025 KENKO Investment for Health Stock Selection</b><br>Jointly promoted by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE), Earth Corporation was selected as a brand under the 2025 KENKO Investment for Health Stock Selection initiative for the first time.                           |
|  | <b>Toyo Keizai CSR Ranking</b><br>Earth Corporation received a AAA ranking in Workforce and HR Utilization, Environment, Governance, and Corporate Citizenship in the CSR evaluation of the "2024 CSR Company Ranking" by Toyo Keizai Inc. and received high evaluations in each item.                                                  |
|  | <b>FTSE Blossom Japan Index status</b><br>An ESG investment index is designed to measure the performance of companies that are taking excellent environmental, social and governance (ESG) actions, while incorporating companies that meet various ESG-related criteria.                                                               |
|  | <b>FTSE Blossom Japan Sector Relative Index status</b><br>Earth Corporation is included in the FTSE Blossom Japan Sector Relative Index, which is used as a benchmark for passive management in ESG investment by the Government Pension Investment Fund (GPIF).                                                                        |



# Earth Corporation Celebrates Its **100**<sup>th</sup> Anniversary in 2025

With the mission to support people's healthy and comfortable lives, Earth Corporation has worked diligently to expand its business since its founding in Namba, Osaka, Japan guided by the philosophy:

“We act to live in harmony with the Earth.”

From its very inception, the Company has placed the utmost importance on the “customer’s perspective” and on continuously taking on new challenges without the fear of change. This stance has served as the driving force behind the development of numerous products and services.

As if to embody the “Earth” in our company name, we currently provide products and services that form an integral part of people’s daily lives in roughly 40 countries and regions worldwide, including Asia.

In concert with our stakeholders, we will continue to take on the challenge of living in harmony with the Earth in our own unique way, while responding flexibly to changes in society. In this manner, we will work to secure sustainable growth and enhance corporate value over the next 100 years.



**Earth Group  
Corporate  
Philosophy**

We act to live in harmony with the Earth.

**Earth  
Policy**

Earth Policy represents the behaviors and actions that are essential to achieving our Corporate Philosophy.

## Creating a Market with customers

Passion · Innovation · Integrity

## Momentum · Achievement

## Earth Value

Earth Value is shared by all employees in the context of the Company's business operations.

## One Earth

## Open communication

## Diversity

The meaning behind the message positioned below our corporate logo

“Act For Life,” the message positioned below our corporate logo is a simple expression of our Corporate Philosophy, conveying the Earth Group’s promise to customers that by providing products and services, it will “Act” in a manner that contributes to safety and comfort in the “lives” of people everywhere.

The Japanese version of the slogan is a familiar, easy-to-understand expression of this promise to customers that we will “Act For Life,” and could be translated as “Making the Earth a home that feels good.” “Feels good” refers to living in both safety and comfort.

地球を、キモチいい家に。

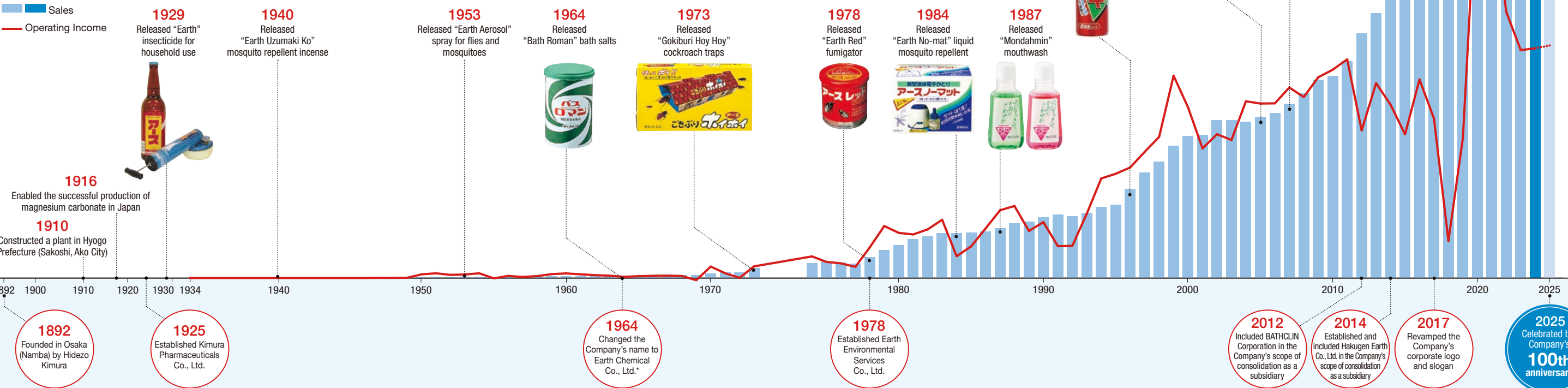


# A Century of Continuously Delivering Safe and Comfortable Lives: The History of Earth Corporation

Over the past **100 years**, Earth Corporation has continued to conceive new products and services that address changes in the times.

Since our founding in 1892 and incorporation as a company in 1925, Earth Corporation has placed the utmost importance on the “customer’s perspective” while diligently developing new products and improving existing services. Having welcomed the 100th anniversary of our establishment, we continue to contribute to the healthy and comfortable lives of people in Japan and around the world, and achieve steady growth in concert with society.

## Trends in Sales and Operating Income



### 1890~

**Enabled the Successful Production of Magnesium Carbonate in Japan**  
In 1916, Earth Corporation successfully enabled the domestic production of magnesium carbonate, which enhances the durability of natural rubber. The Company's predecessor, Kimura Pharmaceuticals Co., Ltd. became a leader in the bittern industry. The Company later released “Earth” in response to the growing need to insecticides. Successful steps were then taken to expand these needs through such sales promotion activities as the free distribution of products. This in turn helped broaden Earth Corporation's profile nationwide.

### 1970~

**Capital Participation by the Otsuka Group**  
Earth Corporation fell into a state of financial crisis and, in 1970, in an effort to rebuild its business, the Company sought financial assistance from Otsuka Pharmaceutical Factory, Inc., an existing business partner, and invited the late Masatomi Otsuka to take on the position of president. In 1973, the Company released “Gokiburi Hoy Hoy” which quickly became an explosive hit, eliminating the accrued deficit and bringing the Company back to life.

### 1980~

**Promoting Global Expansion Through Exhaustive Market Surveys**  
Earth Corporation marked the start of efforts to vigorously promote its global strategy with the establishment of ARS Chemical (Thailand) Co., Ltd. (currently Earth (Thailand) Co., Ltd.) in 1980. The Company engages in marketing activities tailored to the characteristics of each country through exhaustive market surveys that encompass such attributes as dissimilar lifestyles and preferences. We currently export to 40 countries and regions around the world.

### 2000~

**From “Insecticides” to “Insecticides & Repellents”**  
The history of Earth Corporation's ongoing growth is a record of existing product improvement. Drawing on its research into competing products, the Company worked diligently to develop a succession of effective products, including “Earth Red,” an active ingredient vapor dispersion insecticide, and “Goki Jet Pro,” which boasts strong spraying power. In 2017, we coined the proprietary term Mushi-care (“Insecticides & Repellents” in English). Over the ensuing period, we have looked beyond performance and functionality to also focus on consumers, product safety, and environmental concerns.

|                    |      |                                                                                      |      |                                                                                                 |      |                                                                                                     |      |                                                                                                                                                                                                        |      |                                                                                                                                     |      |                                                                                                 |
|--------------------|------|--------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------|
| Overseas Expansion | 1980 | Established ARS CHEMICAL (THAILAND) CO., LTD. (currently Earth (Thailand) Co., Ltd.) | 2004 | Earth Environmental Service Co., Ltd. established Beijing Earth Environmental Service Co., Ltd. | 2012 | Hakugen Earth Co., Ltd. established Hakugen Daily Consumer Products (Shenzhen) Co., Ltd.            | 2016 | Earth Environmental Service Co., Ltd. established Shanghai Earth Environmental Service Co., Ltd., Earth Environmental Service (Thailand) Co., Ltd., and ARS Environmental Service (Thailand) Co., Ltd. | 2017 | Included A My Gia Joint Stock Company (currently Earth Corporation Vietnam) in the Company's scope of consolidation as a subsidiary | 2020 | Earth Environmental Service Co., Ltd. established Earth Environmental Service Vietnam Co., Ltd. |
|                    | 1990 | Established Earth Corporation (Tianjin)                                              | 2005 | Established Earth Corporation (Suzhou)                                                          | 2015 | Established Earth Chemical (Shanghai) Management Co., Ltd. (currently Earth Corporation (Shanghai)) | 2019 | Established EARTH HOME PRODUCTS (MALAYSIA) SDN. BHD. Earth Environmental Service Co., Ltd. established Earth Environmental Service (Taiwan) Co., Ltd.                                                  | 2022 | Established EARTH HOMECARE PRODUCTS (PHILIPPINES), INC.                                                                             |      |                                                                                                 |

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Celebrating the  
Company's 100th  
anniversary

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● Delivering Comfort to the World

Carrying Out Strategies That Help Create Value

Working with Stakeholders to Protect and Deliver "Comfortable Lives"

Management System Designed to Continuously Create "Comfortable Lives"

Data

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## Editorial Policy

Earth Corporation published Integrated Report 2025 in order to provide shareholders, investors, and other stakeholders with a better understanding of the value created by the Group and its efforts to continue creating value. Integrated Report 2025 has been edited with a focus on reporting financial and non-financial information, including the value creation process, operations, Medium-Term Business Plan, and materiality initiatives in an integrated manner. We hope that this report will help further deepen dialogue with our stakeholders.

**Period Covered** FY2024 (January 1, 2024 – December 31, 2024)  
\* Includes certain activities after the period covered.

**Organizations Covered** Earth Corporation and domestic / overseas Group companies  
\* However, certain items are reported for Earth Corporation on a non-consolidated basis.

### Reference guidelines

- "International Integrated Reporting Framework" by the International Financial Reporting Standards (IFRS) Foundation
- "Value Co-Creation Guidance" by the Ministry of Economy, Trade and Industry



### Regarding Forward-Looking Statements

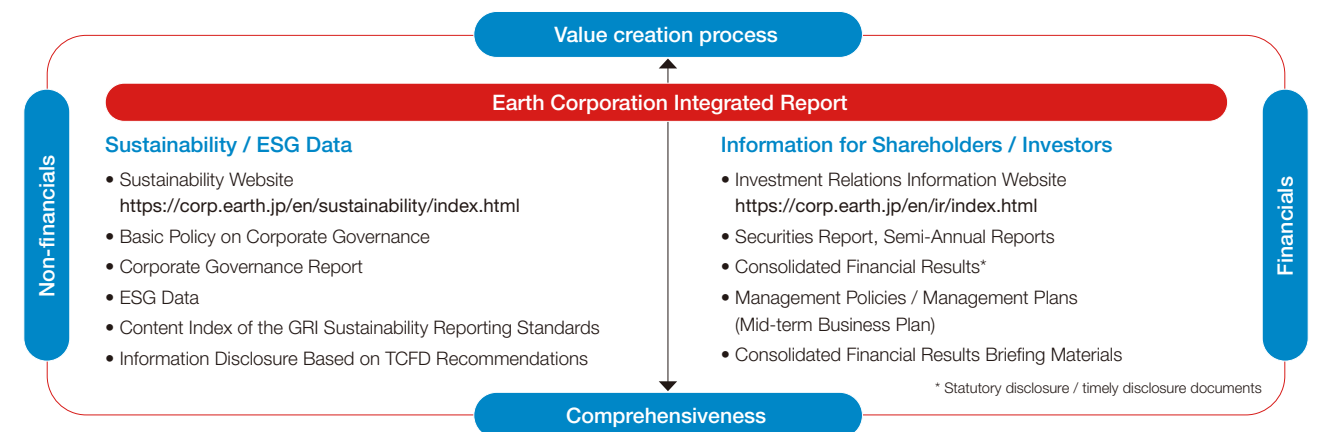
Forward-looking statements and earnings forecasts described in this report are the Company's assumptions based on information currently available and are subject to potential risks and uncertainties. Therefore, please be aware that changes in various factors may cause actual results to differ materially from those discussed in the forward-looking statements.

\* The figures listed are rounded down to the nearest digit. As a result, totals may not equal the sum of individual figures.

\* All product names mentioned in this report are registered trademarks of the Company or its affiliates.

\* Comments and other information contained in this report have been properly obtained.

## Information Disclosure Framework



# The Earth Brand Bringing Smiles to People’s Faces Around the World~At a Glance~

Earth Corporation engages in businesses that are closely aligned to everyday life in a bid to ensure safety, security, and comfort. The Company supports people’s healthy and comfortable lives through its two businesses that include the Household Products Business and the General Environment and Sanitation Business.

Household Products Business

▶P.36

Sales

¥148,913 million

Ratio of sales

82.4% (FY2024)

Insecticides & Repellents

Household Products

Strengths and Focus Fields

Centered on insecticides and repellents—for which it boasts the overwhelming top market share—the Earth Group offers a wide range of products as a leading supplier of household products, including bath salts, oral hygiene products, insect repellents for clothing, cleaning products, and pet products. In addition to promoting the revitalization of the domestic market through its ability to develop sales floors utilizing the Company’s mobility and organizational strength, Earth Corporation is focusing on global development and has expanded exports to approximately 40 countries overseas. Moving forward, we aim to be a company trusted by society by responding to social needs through product development from the customer’s perspective.

アスノーマット

バスクリン

For flies and mosquitos: Earth No-mat

For cockroaches: Black Cap

Bath salts: Bathclin

Mouthwash: Mondahmin

Main Products

Major Group Companies

BATHCLIN Corporation, Hakugen Earth Co., Ltd., Earth Pet Co., Ltd.

General Environment and Sanitation Business

▶P.40

Sales

¥31,888 million

Ratio of sales

17.6% (FY2024)

Main Services

Major Group Companies

Strengths and Focus Fields

From food and pharmaceuticals to advanced medical fields, Earth Environmental Service Co., Ltd. supports the quality assurance activities of business operators by providing its unique integrated environmental hygiene management service\* to protect products from foreign substances and contamination. The backbone of this service is the GMP of Group company Otsuka Group, which features unique technology and know-how cultivated in the field. Saito Research and Training Institute (T-CUBE) is working on the development of AI-driven insect capturing and analysis systems and on industrial applications for sterilization and deodorization using MA-T system®, an oxidation control technology, thereby playing a core role in innovation that contributes to society. Particularly in the field of future / advanced medicine, Earth Environmental Service Co., Ltd. is working to create innovation by training specialists in the field of regenerative medicine, developing decontamination and other hygiene management methods, and participating in Nakanoshima Qross (The International Center for Future Medicine).

Various environmental monitoring

Inspection and identification of microorganisms, foreign matter

Pest control, microbial contamination control

Sanitation, special cleaning

Quality assurance system development, support for acquisition of standards certification, conformity audits, etc.

Earth Environmental Service Co., Ltd.

\* Sales include internal sales.

\* Please refer to the Glossary on P. 68

## Earth Corporation by the Numbers (FY2024)

Earth Corporation always values the “customer’s perspective” and works tirelessly to develop new products and improve existing services. Believing that our customers’ support equates to our market share, we will continue to provide products and services that help make everyone’s lives safe and comfortable.

### Finance (consolidated) ▶P.22

Sales

¥169,278 million

Up 6.9% YoY

Operating income

¥6,425 million

Up 0.9% YoY

ROE

5.1%

Down 1.2pt YoY

Annual dividend per share

¥120

Up +¥2 YoY

DOE

3.9%

Down 0.1pt YoY

\* Includes a commemorative dividend of ¥2 per share.

### Strength Supporting the Earth Brand

Number of inquiries handled by the Customer Service Department\*

Approximately 90,000 responses

\* Please refer to the Glossary on P. 68

▶P.45

Employees assigned to R&D Headquarters

347 (consolidated)

▶P.34

Production bases

12 (globally)

▶P.27

Number of countries in which the Group operates

Export sales to approximately 40 countries and regions worldwide

▶P.38

Number of general environment and sanitation business contracts

15,560 companies

▶P.40

Employee Engagement Survey

B

\* Engagement rating rated on a scale of AAA to DD, with 11 levels in total.

▶P.31

### Market Position

Insecticides & Repellents Domestic share ratio

57.3%

Insecticide & Repellent market size

¥139.4 billion

Sources: Intage SRI+ insecticide market (excluding horticultural agents) National total, all business categories from January to December 2024, cumulative sales amount

Bath salts Domestic share ratio

42.5%

Bath salt market size

¥68.7 billion

Sources: Intage SRI+ Bath salt market (excluding horticultural agents) National total, all business categories from January to December 2024, cumulative sales amount

\* Earth Group (Earth Corporation, BATHCLIN, Hakugen Earth)

6
Earth Corporation Integrated Report 2025

Earth Corporation Integrated Report 2025
7

## Message from the President

**Building on a century of progress, the Earth Group will enter a new stage of growth. While strengthening holding company functions, we will accelerate the pace of our global growth and create a future that supports people's healthy and comfortable lives.**

### Profit Is a By-Product of a Three-Year Period of Forward-Looking Work

**Steady progress in expanding sales overseas, transforming the earnings structure, and strengthening Group management capabilities despite the effects of the external environment.**

I believe that challenges are a constant companion. The issue at hand is how best to overcome each challenge in a timely manner. The medium-term business plan, "Act For SMILE COMPASS 2026," which is currently in progress, was formulated at a time of dramatic change, with the external environment exhibiting considerable volatility, impacted by such factors as climate change, the spread of infectious diseases, a surge in material prices, fluctuations in foreign currency exchange rates, and changes in consumer behavior. In the lead-up to a significant leap forward, Act For SMILE COMPASS 2026 is positioned as a three-year period of preparation. Looking back on fiscal 2024, the first year of the medium-term business plan, we worked diligently to expand sales overseas, transform the earnings structure, and strengthen Group management capabilities against the backdrop of high costs and a weak yen, which significantly impacted profits.

As far as efforts to expand sales overseas are concerned, we have completed the seed-sowing phase. As a result, overseas sales expanded to the ¥20 billion level in fiscal 2024. In similar fashion to Japan, our goal in Thailand and Vietnam, which are positioned as principal overseas locations, is to gain market share through the support of customers. We are especially committed to securing the leading share of the insecticides and repellents market in Thailand. Moreover, we are focusing on our export business, targeting such countries and regions as Saudi Arabia, North America, Hong Kong, and Taiwan, with a view to expanding overseas sales.

Complementing these endeavors, we are strengthening Group management and transforming our earnings structure in a bid to improve our ability to flexibly address changes in our operating environment. We recognize that improving sales and increasing our profit margin through stringent cost management are two equally important components to strengthening our operating resilience. Focusing solely on the former runs the risk of triggering governance issues, while excessive attention on the latter will likely create an awkward corporate culture.

I place considerable importance on the concept that "profit is a by-product of forward-looking work." By putting the pedal to the metal in an effort to maximize sales, while engaging in cost management, placing the right people in the right positions, and implementing other ongoing measures aimed at increasing productivity, I am confident that we will achieve steady growth. This includes our consolidated net sales target of ¥170 billion in fiscal 2026, and looking further ahead, net sales\* of ¥200 billion, which we achieved once previously in fiscal 2021 prior to a change in application of the "Accounting Standard for Revenue Recognition."

### Strengthening Holding Company Functions to Maximize Group Synergies

**The time has come to leverage economies of scale and make strategic procurement and business decisions.**

In addition to including BATHCLIN and Hakugen Earth in its scope of consolidation as subsidiary companies in 2012 and 2014, respectively, Earth Corporation has worked to expand its business overseas while actively promoting M&As. On this base, we are creating a unified group comprising various companies with diverse cultures. To date, with efforts

▶ P.20  
Medium-Term  
Business Plan  
▶ P.24  
Financial  
Strategies

▶ P.36  
Household  
Products  
Business

▶ P.56  
Corporate  
Governance

\* Level exceeding ¥250  
billion under the former  
accounting standard

Representative Director, President & CEO  
Earth Corporation

Katsunori  
Kawabata

made to respect the autonomy of each company, we prioritized corporate culture integration through various means, including the revitalization of employee communication. Moving forward, however, we recognize the need to establish certain rules in order to respond to changes in the external environment in a flexible and timely manner, and to increase the efficiency of the Group as a whole.

In the past, we have allowed each subsidiary to make its own decisions while encouraging steps to visualize financial information and procurement prices. However, in light of the recent upswing in commodity prices and the status of supplier relationships, we believe it is now time to leverage economies of scale and make strategic procurement and business decisions. Even if there are limits on an individual company securing growth on its own, the potential exists to maximize stand-alone value by leveraging the Group's strengths. Taking into consideration the importance of ensuring optimal management of the entire Group while respecting the uniqueness of each company, the decision was made that advancing the strengthening of holding company functions was ideal for the current Earth Group at this time of change and on the occasion of our 100th anniversary. Rather than guarantee a degree of freedom through independent accounting, we plan to strengthen control in certain areas while remaining conscious of Group synergies, and clarify the Group's overarching direction.

Despite concerns that strengthening holding company functions will delay the pace of management, we believe that this initiative will accelerate growth through flexible and timely decision-making. Given the present situation where each

▶ P.20  
Medium-Term  
Business Plan

Message from the President

company is engaging in business based on its own decisions, the transition to this new structure will allow us to firmly establish Group-wide strategies, ensure the centralized control of the Group’s resources by holding company functions, and advance with a greater sense of speed.

Management is a living organism. Instances arise when management adopts a new framework or reverts to its original form. Although adapting to change is difficult, now is the time when action must be taken. Here, we will work toward more robust Group management while firmly conveying the significance of strengthening holding company functions both internally and externally.

The Thoughts Behind “Making the Earth a Home That Feels Good”

**Linking the Earth Group’s direction and values to concrete action**

Rather than rely solely on a reactive approach, proactively envisioning the future is essential for sustainable corporate growth especially during periods of intense volatility. While engaging in the Group’s management, I oversaw the renewal of our corporate identity (“CI”) in 2017 as one countermeasure to change. More than just an update of our logo, this initiative was an important step in redefining our direction and values as a company.

The decision to renew our CI was grounded in the accelerated pace of our global expansion. At that time, a portion of our logo was depicted in katakana, a Japanese syllabary and one component of the Japanese writing system. Cognizant of the need to provide a format that would attract wider appeal and recognition in overseas markets, we chose the slogan “Act For Life,” a concise interpretation of the Japanese version that could be translated as “Making the Earth a home that feels good.” This slogan codifies the Group’s promise to customers to act in a manner that contributes to safety and comfort in the lives of people everywhere by providing products and services.

The “home” is a place where people feel most comfortable and at ease. Our goal is to help create an even better environment through our products and services to ensure that the entire planet feels much like a “home.” In addition, we believe that creating a comfortable workplace environment is critical in providing employees with the same sense of security they feel at home. Renewing our CI was therefore a vital step in clarifying and sharing these values both internally and externally.

Rather than treating them as simple words on a page, it is important that we apply our corporate philosophy, Earth Value, and Earth Policy to every facet of our daily management. A philosophy is much more than a formality. Its significance stems from concrete action. With this in mind, we are increasing opportunities to raise awareness toward our philosophy through various forums, including meetings. Every effort is being made to share the Earth Group corporate philosophy across the entire organization.

Our former president, Tatsuya Otsuka, placed considerable emphasis on “momentum.” Carrying this spirit forward, I would ask all employees that they focus be on responding immediately rather than leaving our philosophy and goals unspoken or unaddressed.

detailed compartments is detrimental to flexibility and runs the risk of impeding cooperation. That is why it is important to nurture an agile and robust corporate culture while balancing the twin need for growth and simplicity.

No organization, no matter how good it is, is perfect. While other companies may appear better than us, they all struggle with issues of their own. With this in mind, I believe it is vital that we place the utmost importance on continuously taking on challenges.

The Earth Group celebrates its 100th anniversary in 2025. Building on this milestone, I am committed to creating an environment in which freedom and growth coexist. It is management’s responsibility to put in place a workplace environment in which employees can freely take on challenges while maximizing their abilities. Freedom should never be construed as chaos. I believe it is important that a company and its employees continue to grow through a process of mutual support. Rather than place people within predetermined boxes, my goal is to provide opportunities through which our employees can grow while making the most of their individuality. Focusing on the development of an enjoyable environment in which employees can take pride, we will prioritize continuous improvement while minimizing the burden imposed by mental stress.

Targeting Further Growth over the Next 100 Years

Stringently pursuing the “customer’s perspective” while consistently addressing change is the driving force behind the Earth Group. As a company with a century-old history, we will draw on the collective strengths of the Group and continue to respond flexibly to the concerns of customers worldwide while cherishing the value we have built up over the years. Moreover, we will continue to work every day with the mission of protecting the safety and comfort of people’s lives.

Looking toward the next 100 years, the Earth Group will strive to realize a brighter future while creating new value in concert with stakeholders in a bid to secure sustainable growth and enhance corporate value. As we work toward achieving these goals, we ask for your continued support and understanding.

▶ P.1  
Earth Group Corporate  
Philosophy  
▶ P.32  
Research &  
Development Strategy:  
Message from the  
Director General  
▶ P.16  
Stakeholder  
Engagement

▶ P.1  
Earth Group  
Corporate  
Philosophy

**Katsunori Kawabata**  
Representative Director, President & CEO  
Earth Corporation  
(March 2025)

Management’s Role is to Uncover Human Resources Who Will Take the Initiative to Grow on Their Own While Developing Their Skills and Individuality

**Focusing on creating an enjoyable workplace environment in which employees can take pride**

The Earth Group is acutely aware of the important role that human resources play in the growth of a company. However, I believe that people are not to be “nurtured,” but rather people should “grow on their own.” With this in mind, I am convinced that management’s role is to uncover the means through which this can be achieved. An organization becomes stronger when diverse values and personalities come together. For this very reason, it is important to harness the skills and individuality of each employee and create an environment in which employees can take pride rather than develop a specific type of human resource.

Ideally, each employee should feel that its company is a good one. While this will depend on each individual’s criteria, a common thread is to ensure that each employee can work without the burden of mental stress and feel that both individual and company growth are linked. As far as organizational management is concerned, it is important to avoid rigidly fixed roles and to ensure flexibility. To use a baseball analogy, rather than drawing a line in the belief that “if the ball does not fall within my own designated field of play then it is not my responsibility,” I would hope that our organization encourages employees to go about their duties while helping each other.

Naturally, an organization will introduce additional roles and departments as it grows. Having said this, I would still argue that simplicity is the hallmark of a good organization. A complex organization made up of excessive minute and

▶ P.28  
Earth  
Corporation’s  
Human Capital  
Management  
▶ P.30  
Human Asset  
Strategy



Earth Corporation's Value Creation Process



We act to live in harmony with the Earth



The joys of acting in harmony with the Earth and of enabling comfortable lifestyles

Our Understanding of the External Environment

▶P.18

Climate change

Ecosystem change

Demographic change

Technological change (evolution)

Inputs

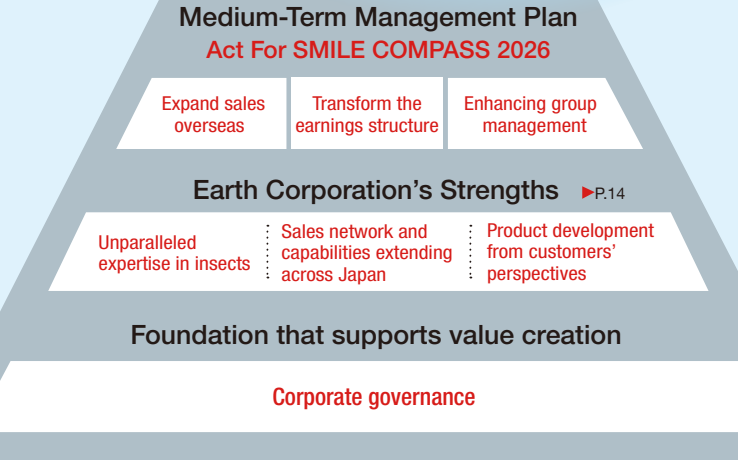
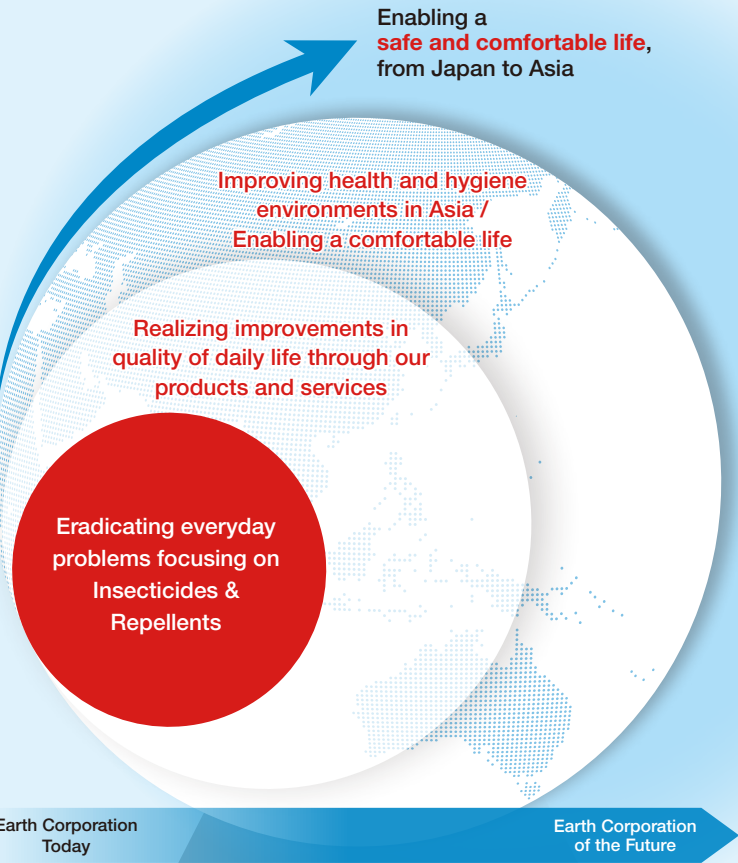
▶P.14

- Financial capital**
  - Equity capital ¥68.8 billion
  - Interest-bearing debt ¥5.2 billion
- Human capital**  
(Figures for the fiscal year ended December 31, 2024)
  - Number of employees (consolidated): 4,878
  - Employees assigned to R&D Headquarters (consolidated): 347
  - Environmental Doctors\* with high technical skills and expertise: 470
  - Ratio of female employees: 40.6%
  - Number of career hires: 38
  - Number of new graduate hires: 61
  - Total training hours: 39,466
- Intellectual capital**
  - Development of high value-added products
  - Highly specialized human assets involved in R&D
  - Industry-academia collaboration, research with cooperating institutions
  - Number of patents held: 348
  - TACO system\*
- Manufacturing capital**
  - Capital investment: ¥16.7 billion  
(Three-year total 2022-2024)
  - Production bases: 12 locations (global)
  - Production control system that contributes to improved productivity
- Social and relation ship capital**
  - Supplier companies: 209
  - Top share of Insecticides & Repellents market (57.3%)\*<sup>1</sup>
  - Establishment of Japan MA-T Industrial Association\*
  - Nationwide sales network approx. 107,000 partners
  - Partner companies providing hygiene management support services: 700
- Natural capital**
  - Water usage (water discharge) 123,200m<sup>3</sup>
  - Energy usage 125,161GJ
  - CO<sub>2</sub> emissions (Scope1, 2) 3,605t-CO<sub>2</sub>

\*1 Intage SRI+ Insecticide market (excluding gardening products) Nationwide total/ All formats total January to December 2024 Cumulative sales amount  
\*2 Compared to 2020  
\* See the Glossary of Terms on P.68

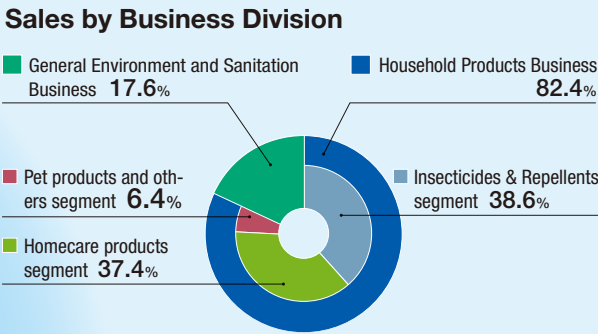
Business Model

▶P.14



Outputs

▶P.15



Discharges from business operations

|                                        |                        |
|----------------------------------------|------------------------|
| CO <sub>2</sub> emissions (Scope 1, 2) | 3,605t-CO <sub>2</sub> |
| Industrial waste outputs               | 3,543t                 |

Outcomes

▶P.15

- Economic value**
- Dividends per share ¥120
  - Total return ratio 133.3%
  - TSR (10-year [cumulative]) 168.0%
- Social value**
- Human**
- Employee Engagement Survey B (11-point scale)
  - Paid leave usage rate 76.6%
  - Female manager ratio 11.8%
- Intellectual**
- Number of inquiries handled by the Customer Service Department: Approx. 90,000 cases/year
  - Continuous product development leveraging unique intellectual property (TENE BENAL™, MA-T System®)
  - Number of patent registrations: 42
- Social and relationship**
- Preventing the spread of insect-borne infectious diseases through the provision of products and educational activities
  - Supplying research samples to public institutions and other organizations by means of high-quality insect breeding technologies 27 institutions; 19,357 insects
  - Contributing to communities through the development of products that assist in disaster preparedness
  - Certified as a Health and Productivity Management Outstanding Organization 2025 (White 500) for the fifth consecutive year
  - Selected for the first time as a "KENKO Investment for Health Stock Selection 2025"
  - Number of integrated environmental hygiene business contracts: 15,560

- Environmental value**
- CO<sub>2</sub> reduction rate: 33.9%<sup>\*2</sup>
  - Third-party verification of GHG emissions obtained
  - Water usage efficiency: 0.6% improvement<sup>\*2</sup>
  - Final disposal rate of industrial waste 1.1%

- Economic value**
- Stable and continuous shareholder returns
  - Increase in corporate value through Group synergies

- Social value**
- Enable health environment improvements and comfortable lives for people in Asia
  - Build a work environment where well-being can be felt and foster internal culture
  - Acquire and foster talent required for management and business strategies
  - Support self-motivated career development for diverse talent and create a framework

- Environmental value (Figures for 2030)**
- CO<sub>2</sub> emissions reduction
  - Renewable energy ratio: 95%
  - Increase of water usage efficiency by 10%<sup>\*2</sup>
  - Reduction in the emission of industrial waste to zero

# Explanation of Earth Corporation's Value Creation Process

With the aim of realizing its Corporate Philosophy of “harmony with the Earth,” Earth Corporation is committed to developing, manufacturing, and selling products that support people’s healthy and comfortable lives. Amid growing awareness of sanitary environments as well as safety and security, we are continuing to provide value while responding to changes in society through both our household products as well as general environment and sanitation businesses. To extend these efforts across the world, we are taking on the challenge of broadening our business domains while enhancing our global expansion.

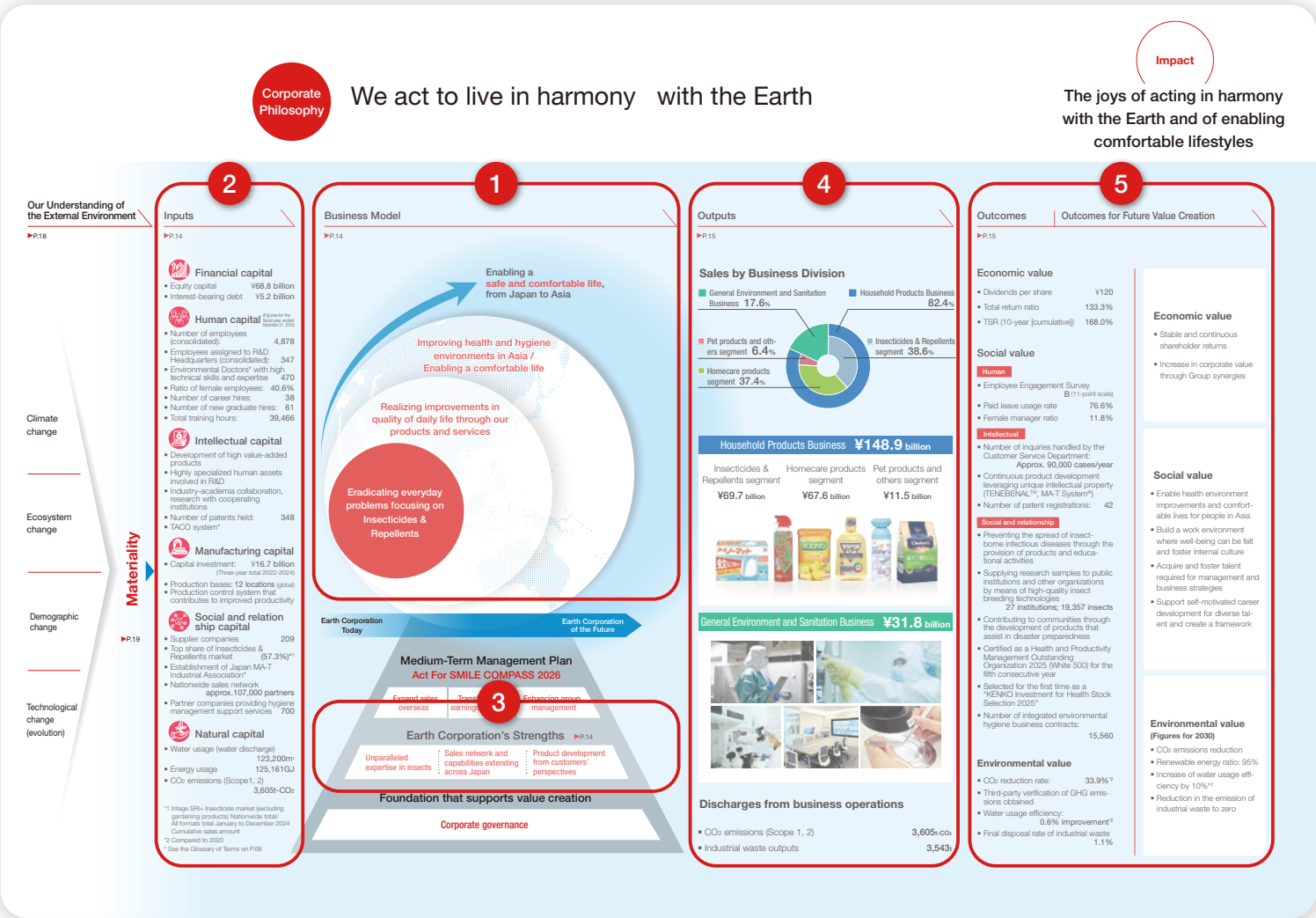
## 1 Business Model

Earth Corporation's business model involves supporting safe and comfortable lives by providing products and services that eradicate customer problems relating to sanitary environments and living conditions through both its household products as well as general environment and sanitation businesses. Our business model consists of four functions: Research & development / Product development, Production control, Sales strategy, and Global strategy. Research & development / Product development is the key to producing highly unique products (Research & Development Strategy [Message from the Director General], P. 32). In production control, we installed a core system, which went into operation in 2024, for greater efficiency and sophistication in business processes toward the achievement of the earnings structure reforms adopted under our Medium-Term Business Plan. By building a system that displays throughput in a visual form and enhances these processes, we are working to further evolve our manufacturing in ways that contribute to improved earnings and cash flow in the years to come. Conducting detailed market research based on our sales and global strategies and leveraging the largest number of sales staff in the industry to create unique sales areas from the customer's perspective, we are also endeavoring to spread comfortable lives from Japan to the rest of Asia.

## 2 Inputs

As of the end of fiscal 2024, equity capital amounted to ¥68.8 billion, the equity ratio was 50.8%, and interest-bearing debt ¥5.2 billion. We are therefore maintaining a healthy financial capital position that is capable of responding to any risks and opportunities associated with future changes in the environment. For Earth Corporation, which adopted Diversity as its core Earth Value, its human capital of 4,878 employees on a consolidated basis represents an indispensable management resource. The 347 personnel involved in advancing research and development are working on the development of, for example, high value-added products and supporting our competitive advantage (Research & Development Strategy, P. 34). As intellectual capital, we held 348 patents as of 2024. Also owning 12 manufacturing bases both in Japan and overseas, we have put in place a system that allows us to provide customers with high-quality products in a timely manner. Our strong relationships with 209 supplier companies and a nationwide sales network of approximately 107,000\* partners represent important social capital for co-creating a variety of value. Furthermore, having taken into consideration the global environment as materiality, Earth Corporation is working to improve its corporate value through the effective use of resources and waste reduction.

\*Based on Company research.



## 4 Outputs

Through our two businesses, one covering household products and the other general environment and sanitation services, we provide products and services that everyone needs, thereby helping to realize healthy and comfortable lives. The main products of the Household Products Business are Insecticides & Repellents, bath salts, and mouthwash, and the Company has earned the support of its customers, as evidenced by the fact that it holds the number one share of the domestic market for Insecticides & Repellents, bath salts\* and the second largest share of the Insecticide & Repellent market in Thailand. In the General Environment and Sanitation Business, our Earth Environmental Service Co., Ltd., subsidiary provides services to prevent contamination and maintain and improve optimal sanitary environments in a wide range of industries, including food, pharmaceutical products, medical, containers, packaging materials, logistics, and warehousing.

\* Earth Group's bath salts share of the market.

## 5 Outcomes

Closely accompanying people's behaviors in their day-to-day lives, Earth Corporation supplies products and services that provide even richer comfort. Amid dramatic changes in people's awareness of hygiene and safety brought about by climate and ecosystem changes as well as technological advances, the Earth Group remains mindful of the global environment while creating value in the form of high-quality products and one-step-ahead comfort through manufacturing that places a premium on the customer's perspective. This in turn helps improve the health and lives of our customers. Realizing improvements in people's quality of life, we will provide value to all our stakeholders through various means, including contributing to the welfare of our customers, shareholders, business partners, employees, the environment, and local communities, through our businesses.

## 3 Strengths

### Unparalleled expertise in insects

The Biological Research Building at the Ako Research Institute is a unique pest research facility.

Approximately more than 90 kinds of insect pests, including cockroaches (approximately one million) that inhabit Japan and other countries, flies, mosquitoes as well as ticks, are bred there. Roughly 430,000 of these are used annually for experiments and research, which lead to product development.

As a recent achievement, we have developed a new product that can eradicate resistant bedbugs that have built up an immunity to existing chemical agents. Through various measures, including presentations at academic conferences on the efficacy of our products, our advanced level of expertise continues to receive high acclaim from other researchers.

### Sales network and capabilities extending across Japan

Earth Corporation sells its products through approximately 107,000 retail stores and distributors nationwide. Valuing our communications with buyers and store staff, we offer seasonal proposals to increase sales not only of our own products but of the entire product category at retail stores. At stores, which serve as points of contact with customers, we have put in place a system whereby around 200 specialists known as EMALs create sales floors that take into account seasonal and weather trends and support sales promotions.

### Product development from the customer's perspective

The Customer Service Department receives approximately 90,000 notifications each year, which represent important information for improving quality. Customer feedback on issues in daily life is used to develop new products and improve existing products. We also take measures to ensure that our customers can use our products with peace of mind. This includes conducting tests that simulate the conditions under which they will actually be used.

Stakeholder Engagement

Earth Corporation’s business activities are supported by various stakeholders, including customers, employees and their families, suppliers, shareholders and investors, and local communities. We believe that it is important to communicate with each of these stakeholders, and to put in place an environment that promotes dialogue in order to create shared value.

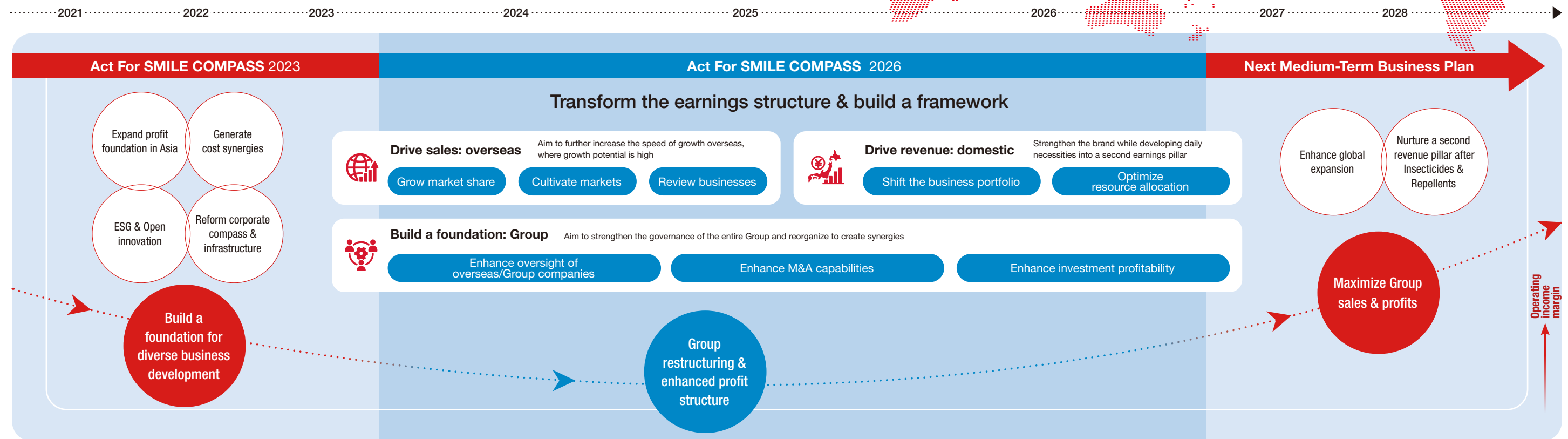
| Stakeholders                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                       | Stakeholders' expectations, interests, and needs                                                                                                                                                                                                                                                                                                                                                                                                                                                | Earth Corporation's main responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Engagement method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Shared value with stakeholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Examples of shared value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Related capital                                                                                                                                           |
| <div>  </div> <div>Customers</div> <div>(Consumers, business partners)</div> | <p>As the Company is engaged in B2B and B2C businesses, the users of Earth Corporation products are both general consumers and other companies. For this reason, our valued customers include the wholesalers that serve as our sales channels, and business partners like retail outlets and e-commerce sites.</p>                                                   | <ul style="list-style-type: none"> <li>Development and provision of products suited to changes in communities, cultures, and the external environment</li> <li>Development of the ideal services and products for diversifying consumer needs</li> <li>Swift provision of accurate information in response to questions and concerns about public health and products as a part of daily life</li> <li>Provision of products and services that consider humanity and the environment</li> </ul> | <ul style="list-style-type: none"> <li>Understand customers and their lifestyles, and strive to provide products and services that contribute to their quality and comfortable lifestyle.</li> <li>Place priority on communication with customers, and strive to apply the voice of customers in better management.</li> <li>Comply with laws and in-house rules related to fair trade.</li> <li>Build systems that rapidly address changes in the business environment.</li> <li>Cooperate with requests to swiftly provide information, as well as for audit and information disclosure.</li> </ul>                                                                         | <ul style="list-style-type: none"> <li>Product development that ascertains customer and business environments, and considers humanity and the environment</li> <li>Communication through sales activities</li> <li>Operational structure for appropriate inventory management</li> <li>Establishment of contact points that apply customer insights and the creation of inquiry forms</li> <li>Advertising and PR</li> <li>Provision of information through websites and other media</li> <li>Disclosure of action on and initiatives for objective indicators through questionnaires and assessment agency response etc.</li> </ul> | <ul style="list-style-type: none"> <li>Number of cases addressed by contact points for receiving comments and suggestions from customers</li> <li>Products based on customer feedback and employee proposals</li> <li>Provision of information, including that for chemical substance control</li> <li>Development of products suited to customer needs and changes in the business environment</li> <li>Development and provision of products that consider humanity and the environment</li> <li>Disclosure of risk management information</li> <li>Stable supply of products</li> </ul>                                                                                                                                                                                              | <div>  </div> <div>Social capital</div>                                |
|                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Safe workplace environments, ensured emotional safety</li> <li>Workstyle reform to realize flexible workstyles</li> <li>Diversity</li> <li>Improvements in engagement</li> <li>Increased motivation, expanded career training</li> <li>Work-life balance</li> <li>Acceptable evaluation and wages</li> </ul>                                                                                                                                             | <ul style="list-style-type: none"> <li>Based on Earth’s corporate value “Diversity,” place value on communication among employees, and develop and grow along with society.</li> <li>Strive for workplaces where employees are motivated and able to participate.</li> <li>Endeavor to create environments in which the families who support our employees have peace of mind.</li> </ul>                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>In-house newsletters and intranet</li> <li>Various training programs</li> <li>Peer bonus system</li> <li>Individual target management</li> <li>Individual meetings</li> <li>Provision of learning opportunities and assistance for learning-related costs</li> <li>Engagement surveys etc.</li> </ul>                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Increase in the paid leave usage rate</li> <li>Increase in the female manager ratio</li> <li>Improvements in the level of employee satisfaction and organizational capabilities</li> <li>Improvements in sales and operating income margin per employee/unit time</li> <li>Increase in wages</li> <li>Provision of training opportunities (reskilling)</li> <li>Health management and improvements in health literacy</li> </ul>                                                                                                                                                                                                                                                                                                                 | <div>  </div> <div>Human and Intellectual capital</div>                |
| <div>  </div> <div>Suppliers</div>                                         | <p>Earth Corporation’s valued suppliers include the business partners we ask to handle procurement, manufacturing outsourcing, overall logistics, and disposal, to provide infrastructure, and to offer design and consulting support. Our businesses are therefore supported by the cooperation and endorsement of countless business partners.</p>                  | <ul style="list-style-type: none"> <li>Appropriate, fair, and ethical transactions (costs, delivery, quality, instructions, conditions, compliance, etc.)</li> <li>Consideration of human rights, society, and the environment</li> <li>Information disclosure (SDS, chemical substance related)</li> <li>Increased productivity</li> <li>Risk management (BCP, opportunity, level of impact, etc.)</li> <li>Relationships in which all parties grow through transactions</li> </ul>            | <ul style="list-style-type: none"> <li>Consider society and the environment based on procurement policies, and engage in fair transactions and procurement that realize a sustainable society.</li> <li>Build relationships that enable the Company to grow together with business partners, and work to ensure support and observance of such among partners.</li> <li>Actively engage in innovative initiatives that go beyond the boundaries of the industry.</li> </ul>                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Communication through purchasing activities</li> <li>Information sharing with business partners</li> <li>CSR self-assessments</li> <li>Improved logistics efficiency and solutions for social issues</li> <li>Cost reductions</li> <li>Reduced use and efficient use of raw materials and resources</li> <li>Reduced waste</li> <li>Cooperative interaction and creation of synergy among the Group and with external parties</li> <li>Information disclosure</li> <li>Supplier action guidelines etc.</li> </ul>                                                                             | <ul style="list-style-type: none"> <li>Self-assessment achievement rate</li> <li>CO2 and resource reduction volumes</li> <li>Disclosure of packing material and FSC-certified paper volumes: Performance of social responsibility through cooperation with business partners and stakeholders</li> <li>Multi-stakeholder Pledge &amp; Partnership Building Declaration</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       | <div>  </div> <div>Social and relationship and Natural capital</div> |
|                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>The provision of appropriate returns to shareholders</li> <li>The timely payment/repayment of interest and principal (borrowings)</li> <li>Enhancement of corporate value (market capitalization)</li> <li>Generation of new business earnings</li> <li>Increase in the profitability of existing businesses</li> <li>Information disclosure, communication, and dialogue</li> <li>Commitment to plans and declarations</li> </ul>                       | <ul style="list-style-type: none"> <li>By disclosing appropriate information at the appropriate time, fulfill responsibilities for accountability, promote understanding of Earth Corporation’s management philosophy, vision, and plans, and ensure that our corporate value is properly recognized.</li> <li>Make a sincere effort to address external ESG assessment agencies.</li> <li>Strive to actively disclose, index, and quantify non-financial information.</li> </ul>                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>General meetings of shareholders</li> <li>Financial results briefings for institutional investors and analysts</li> <li>Individual meetings</li> <li>Provision of information through websites and other media</li> <li>Facility tours etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Dividends</li> <li>Total return ratio</li> <li>TSR (10 years)</li> <li>Interest</li> <li>Repayment of principal</li> <li>Issuance of reports</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <div>  </div> <div>Financial capital</div>                           |
| <div>  </div> <div>Local community</div>                                   | <p>Earth Corporation strives to contribute to local communities and to resolve the social issues faced by communities, municipalities, non-profit organizations, and others in each of its business domains. We also engage in training and educational activities, as well as in social contribution activities intended to enhance corporate and product value.</p> | <ul style="list-style-type: none"> <li>Involvement and dialogue with communities</li> <li>Contribution to communities and employment creation</li> <li>Proactive participation in organizations</li> <li>Release of public comments</li> <li>Proactive interaction that is not limited to the industry and implementation of innovative initiatives</li> <li>The formation of a resource-circulating society</li> </ul>                                                                         | <ul style="list-style-type: none"> <li>Strive for easy-to-understand information disclosure.</li> <li>Aspire to a company that is open to all in the community.</li> <li>Endorse and proactively join organizations with the same motives.</li> <li>Develop services and products ideally suited to diversifying consumer needs.</li> <li>Contribute to society, for example by striving to coexist with international society, improving health and hygiene, and supporting culture and sports.</li> </ul>                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Implementation of on-site classes and reception of students</li> <li>Participation in and organization of various events</li> <li>Comprehensive collaboration agreements with each municipality</li> <li>Donations and support</li> <li>Community support and clean-up activities etc.</li> </ul>                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Activities that help mitigate global-scale infectious and other diseases</li> <li>Participation in efforts, including disaster support as well as donations to developing countries and the impoverished</li> <li>Educational events, training activities, and provision of products related to insect-borne infectious disease countermeasures</li> <li>Contributions to the community through the development of products that help prevent disasters</li> <li>Acceptance of interns and visitors, provision of social learning opportunities for students</li> <li>Disclosure of sustainability reports and ESG data</li> <li>Community clean-up activities</li> <li>Comprehensive collaboration agreements with each municipality</li> </ul> | <div>  </div> <div>Social and relationship capital</div>             |
|                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Reduction of environmental impact</li> <li>Awareness and action that goes beyond laws and regulations</li> <li>Participation in consortiums</li> <li>Proactive formulation of guidelines, awareness, and action</li> <li>Biodiversity conservation</li> <li>The formation of a resource-circulating society</li> <li>Animal welfare</li> </ul>                                                                                                           | <ul style="list-style-type: none"> <li>Prevent contamination of the atmosphere, water quality, and soil caused by chemical substance use.</li> <li>Ensure thorough compliance with action guidelines to verify whether substances procured as raw materials infringe upon the environment or human rights.</li> <li>Develop the ideal services and products for diversifying consumer needs.</li> <li>Engage in global environmental conservation by providing products and services that are friendly to the global environment.</li> <li>In addition, based on a correct understanding of nature, Earth Corporation will realize its coexistence with the Earth.</li> </ul> | <ul style="list-style-type: none"> <li>Decarbonization initiatives</li> <li>Improved usage efficiency and reduced use of packaging materials and resources</li> <li>Environmental policies</li> <li>Chemical substance control policies</li> <li>Protecting biodiversity etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Product development based in the Earth ECO Standard*</li> <li>Realization of carbon neutrality</li> <li>The switch to renewable energy</li> <li>Enhancement of water usage efficiency</li> <li>Use of Forest Stewardship Council® certified paper</li> <li>Reduction in the emission of industrial waste to zero</li> <li>Response toward and activities aimed at various consortiums and evaluation institutions</li> <li>Environmental protection (Earth Sakoshi Forest conservation, etc.), invasive species countermeasures, preservation of insect species using breeding know-how</li> <li>Third-party assurance</li> <li>Reports to governments</li> </ul>                                                                                | <div>  </div> <div>Natural capital</div>                             |

\* Please refer to the Glossary on P. 68



## Medium-Term Business Plan

Earth Corporation is advancing its Medium-Term Business Plan under the slogan “Our Group Working Together Toward a Bright Tomorrow for EARTH.” In conjunction with efforts to secure profits through our businesses in Japan, we are seeking to achieve long-term growth for the Earth Group by exploring new sales channels through our international businesses. At the same time, we are also improving the Group’s management foundation, in part by restructuring organizational functions for generating synergies, with the aim of improving profit margins from 2027 onward.



### Looking Back at the Medium-Term Business Plan “Act For SMILE COMPASS 2023” (2021-2023)

#### Results and Evaluation

|                     | Consolidated sales | Operating income            | Net income     | ROE           |
|---------------------|--------------------|-----------------------------|----------------|---------------|
| Target*             | ¥157.0 billion     | ¥14.0 billion-¥16.0 billion | ¥10.0 billion  | 13.0% or more |
| Fiscal 2023 Results | ¥158.344 billion   | ¥6.370 billion              | ¥4.102 billion | 6.3%          |

\* At the time of formulation of the Medium-Term Business Plan

#### Focused Policies of the Medium-Term Business Plan and Evaluation

| Focused policies of the Medium-Term Business Plan (2021-2023) |                                  | Evaluation                                                                                                                                                                                                             |                                                                                                                                                                                                 |
|---------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reform Corporate Compass & Infrastructure                     | Expand Profit Foundation in Asia | <ul style="list-style-type: none"> <li>Acquire market share (consumer support) in each country where we operate</li> <li>Expand into new areas</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Expand sales and share in Thailand and Vietnam ○</li> <li>Explore new market areas (Malaysia and Philippines) △</li> </ul>                               |
|                                                               | ESG & Open innovation            | <ul style="list-style-type: none"> <li>Take up the challenge of resolving issues that contribute to the achievement of the SDGs</li> <li>Realize open innovation through collaboration with outside parties</li> </ul> | <ul style="list-style-type: none"> <li>Address issues to contribute to the achievement of the SDGs / Real-world implementation of MA-T △</li> <li>Reduce product disposals/returns ×</li> </ul> |
|                                                               | Generate Cost Synergies          | <ul style="list-style-type: none"> <li>Carry out joint operations whenever logical to do so</li> <li>Generate synergies and added value throughout the value chain</li> </ul>                                          | <ul style="list-style-type: none"> <li>Generate cost synergies throughout the whole Earth Group ×</li> </ul>                                                                                    |
|                                                               |                                  | <ul style="list-style-type: none"> <li>Improve the sophistication of strategic proposals through updates in management accounting ○</li> <li>Revamp core systems ○</li> </ul>                                          |                                                                                                                                                                                                 |

○: Initiatives with results    △: Initiatives in progress    ×: Initiatives not fully executed

\* Please refer to the Glossary on P. 68

#### Outcomes and Issues Regarding Measures

Originally launched in 2021, the Medium-Term Business Plan, Act For SMILE COMPASS 2023, included and promoted four focused policies with the aim of building a foundation for achieving our corporate philosophy and strengthening profitability. During the period covered by this Plan, we were buffeted by the effects of the COVID-19 pandemic, and confronted changes in the external environment that exceeded our expectations, including a dramatic depreciation of the yen and soaring raw material prices. Despite this, we maintained our commitment to building a foundation for the sustainable expansion of corporate value.

Under the concept of “reforming the corporate compass & infrastructure,” we implemented fundamental reforms to our business infrastructure, including the introduction of management accounting and a complete update of our core systems. As far as efforts to “expand the profit foundation in Asia” are concerned, we achieved steady growth in ASEAN countries and the export business, despite facing strong headwinds in China due to impacts from the external environment. In particular, we captured the second leading share of the insecticide and repellent market in Thailand, and expanded sales of insecticides and repellents, among other products, in Vietnam in an effort that centered on our mainstay product of household detergents. Meanwhile, we sought to expand sales and enhance name recognition in Malaysia and the Philippines.

In the Household Products segment, we sought to secure profitability through high-value-added products and repricing efforts with a focus on insecticides and repellents. Bath salts and mouth-washes, however, were impacted by changes in the market environment and increasingly severe competition. Against this backdrop, we failed to make sufficient brand investments, which in turn was one reason behind the decline in our market share. Moreover, these factors also meant several issues remained with structural reforms, namely reductions in product disposals and returns, and the generation of cost synergies on a Group-wide basis. We therefore carried over some of these measures into the next Medium-Term Business Plan, Act for SMILE COMPASS 2026, which we will revise and execute on an ongoing basis with the aim of further enhancing corporate value.

#### Goals of the Next Medium-Term Business Plan

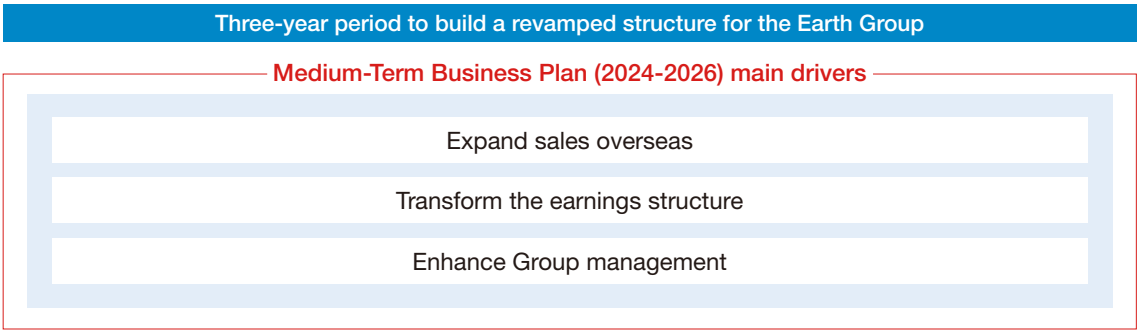
- Work to further accelerate growth in the overseas business, which has high growth potential
- Nurture household products as a second revenue pillar while enhancing brand recognition
- Enhance overall Group governance and aim to execute restructuring toward the generation of synergies

Medium-Term Business Plan

Medium-Term Business Plan: Act For SMILE COMPASS 2026 (2024-2026)

Earth Corporation celebrated the centennial anniversary of its establishment in 2025. Looking ahead to the coming 100 years, the new Medium-Term Business Plan, Act for SMILE COMPASS 2026, launched in 2024, covers a period of structural building for dramatic growth from 2027 onward, and serves as our commitment to building a new framework for the Earth Group that extends from individual optimization to overall Group optimization.

Positioning of the New Medium-Term Business Plan



Looking Back at 2024

Under the Medium-Term Business Plan, we will work to strengthen profitability through structural reforms and greater brand strength for household products in Japan, as well as expand overseas sales based on our positioning of international businesses as growth drivers.

From a business goal perspective, we achieved significant profit growth as a result of a better sales performance than planned as well as the scheduled progress in reducing both costs and selling, general, and administrative expenses.

We have also made steady progress in efforts to optimize management resources, including the reduction, selection, and concentration of SKUs as a strategy raised when the plan was first announced, and have sought to boost our overall ability to take action across the entire Group.

Although our approach to managing the Group until now has also looked to respect the uniqueness of each company, we made the decision to review this approach to Group management during this three-year period in order to address soaring raw material prices and other changes in the external environment. Under this policy, we are currently working to restructure the organization, including integration with BATHCLIN Corporation, and are now preparing a foundation to generate synergy.

\* Please refer to the Glossary on P. 68

Expand Overseas Sales

Having positioned our international businesses as drivers of growth, we are working to bolster expansion with a focus on ASEAN countries. Although we currently hold the third position on the global market for Insecticides & Repellents, we are committed to further accelerating growth in this category as we aim to achieve the second position.

As part of the core ASEAN market, we are focused on the mainland countries of Thailand and Vietnam. Having already captured the second leading share in Thailand, we are now looking to achieve the top share. Meanwhile, with expectations for high growth given the size of its population, we are advancing strategies that better reflect the local characteristics in Vietnam. Likewise, given robust sales growth centered on new product launches, we are also working to reach positive territory in Malaysia and the Philippines.

In China, we have succeeded in introducing focused items to the offline market, indicating that our strategy shift here has produced positive outcomes. In terms of exports, Insecticides & Repellents are trending robustly in Saudi Arabia, Hong Kong, Taiwan, and North America. We are therefore also investigating the establishment of another local subsidiary.

Business Portfolio Targets

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

Transform the Earnings Structure

In order to address the dramatic changes in consumer behavior following the COVID-19 pandemic, we have worked to expand the number of product categories, particularly in homeware products. Due to soaring raw material prices, instability in exchange rates, weakening consumption, and brand investment dispersion, however, bath salts, mouthwashes, and several other product categories have seen declining market share. In response to this issue, we have increasingly focused on selection and concentration, including achieving the initial 30% SKU reduction target ahead of schedule, and have revised the investment allocation for bath salts and mouthwashes. In addition, we engaged in repricing and product return reduction measures with respect to Insecticides & Repellents, as well as in efforts to centralize production and sales management, in an effort to help improve cash flow.

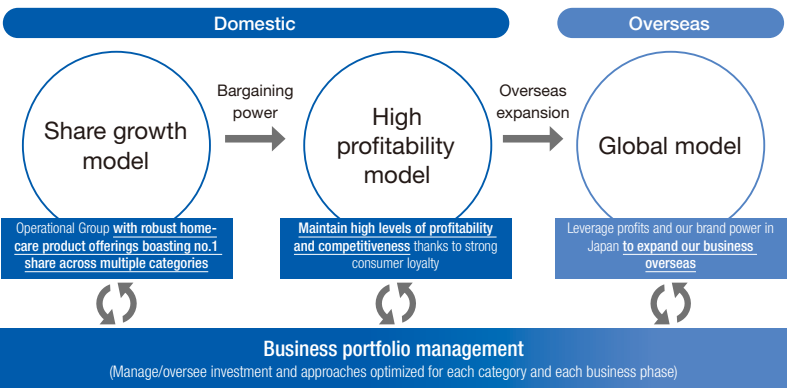
Going forward, we will advance business portfolio management on a Group-wide basis in order to strengthen the earnings structure. In this regard, we have established four pillars of business, namely “Domestic,” which serves as the foundation of earnings, “Overseas,” which acts as the driver for growth, the “General Environment and Sanitation Business,” a distinct business domain, and “MA-T®,” which is expected to become a future pillar

of earnings. Transforming the portfolio, however, will require us to achieve greater efficiency in our domestic businesses. For this reason, we are committed to transforming homeware products into a second pillar of earnings behind only that of the mainstay Insecticides & Repellents. We are therefore focused on optimizing resource allocation among the Group and on enhancing the Group-wide management control system.

Enhance Group Management

Earth Corporation has sought to expand its business and product domains through an aggressive level of M&A, yet has failed to achieve sufficient outcomes in terms of cost reforms and synergy generation across the Group. In light of this issue, we are committed to reorganization, strategic M&A, and improved investment profitability. In order to integrate the management of Earth Corporation and BATHCLIN Corporation in 2026, we are reviewing ways to interlink the two companies’ systems and the reallocation of management resources, and are advancing preparations with the aim of generating cost synergies. In addition to initiatives intended to improve profitability across the Group, we are also focused on capital efficiency and will advance management with an awareness of the cost of capital.

Goal of Structural Reform



|                                                     | Policies                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organizational restructuring to enhance HD system   | <ul style="list-style-type: none"><li>● We will review the functions and departments currently at Earth Group, dividing each function and organization into HD functions and organizations and business functions and organizations, and reorganize the structure. Through this, we aim to maximize the management efficiency of the Group.</li></ul> |
| Control of resource allocation for the entire Group | <ul style="list-style-type: none"><li>● Promotion of business portfolio management</li><li>● Establishment of a Group-wide category control function</li><li>● Enhancement and promotion of governance systems</li></ul>                                                                                                                              |

Quantitative Targets for 2026 and Actual Results for 2024

|                     |                         | 2024 Results   | 2026 Plan         |
|---------------------|-------------------------|----------------|-------------------|
| Profitability       | Consolidated sales      | ¥169.2 billion | ¥170 billion      |
|                     | (Overseas sales*1)      | ¥21.7 billion  | ¥25 billion       |
|                     | Sales ratio             | 12.9%          | 14.7%             |
|                     | Operating income        | ¥6.42 billion  | ¥7 billion        |
|                     | Operating income margin | 3.8%           | 4.1%              |
| Capital efficiency  | Net income              | ¥3.47 billion  | ¥4.3 billion      |
|                     | ROE                     | 5.1%           | 7.2%              |
|                     | ROIC                    | 5.5%           | 5.4%              |
|                     | WACC*2                  | 4.7%           | 4.1%              |
| Financial health    | D/E ratio               | 0.07x          | 0.3-0.4x          |
| Shareholder returns | DOE                     | 3.9%           | Maintain 4% level |

\*1 On a management accounting basis. Consolidated adjustments, e.g., internal eliminations not included.  
\*2 Estimated by Earth Corporation.

# Financial Strategies

Finance plays a major role in supporting corporate management against the backdrop of a business environment that continues to change. With this in mind, Earth Corporation is building a strategy that recognizes how non-financial capital is linked to financial value as a part of efforts to reform its earnings structure, a key theme under the Medium-Term Business Plan, Act for SMILE COMPASS 2026, and to then put in place a flexible yet robust financial base.

## Review of the Company’s Financial Position in Fiscal 2024

In 2024, the first year of Act for SMILE COMPASS 2026, Earth Corporation took steps to reduce the number of SKUs handled and revise the prices in the Insecticides & Repellents segment as a part of efforts to transform its earnings structure, a key theme under its Medium-Term Business Plan. In addition, energies were directed toward strengthening supply and demand adjustment functions through a new core system, which took effect from the beginning of the year. These endeavors helped boost net sales and profits and provided the foundation for generating stable EBITDA, while contributing significantly to improving the Company’s financial position. In specific terms, improvements included shortening the period of inventory turnover (a 10.8 day improvement compared with the previous fiscal year-end) on the back of successful steps to optimize inventories, and a substantial increase in operating cash flows (up ¥6.44 billion year on year).

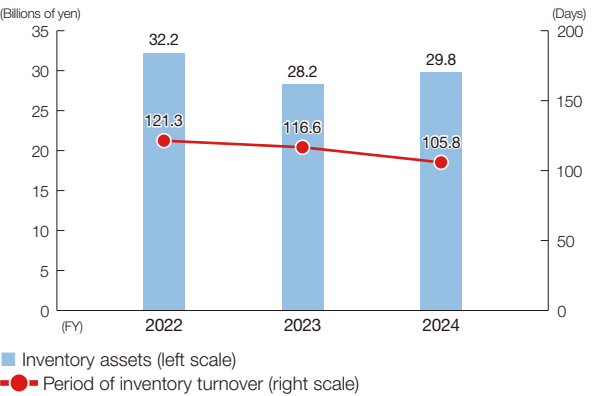
Meanwhile, we steadily undertook investments in line with initial plans, resulting free cash flow of ¥8.6 billion.

By increasing the efficiency of working capital through these means, we reduced borrowings by ¥5 billion compared with the end of the previous fiscal year. As a company that engages in businesses of a significant seasonal nature, including the manufacture and sale of Insecticides & Repellents, we apply borrowings to cover working capital depending on the time of year.

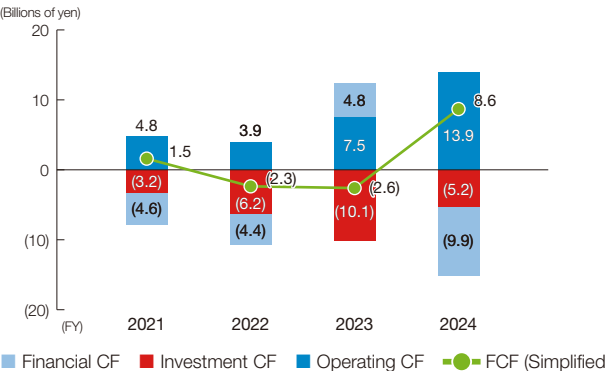
Having said this, the level of borrowings was 0.07 times the D/E ratio and 0.45 times the debt/EBITDA ratio as of the end of 2024, ensuring sufficient capacity for future strategic investments even after taking into account working capital.

Even after excluding the exceptional circumstances of the COVID-19 pandemic in 2020 and 2021, we recognize that capital efficiency has exhibited a downward trend in recent years. As such, this is clearly an issue that needs to be addressed on a priority basis. Under the Company’s Medium-Term Business Plan, we are looking to improve the EVA spread (ROIC-WACC) by 0.3 percentage points compared with 2023 while ensuring financial soundness. To this end, we are working to improve profitability and to effectively utilize borrowings. In 2024, we undertook such measures as the posting of impairment losses on goodwill and fixed assets with respect to a subsidiary located in the Philippines as well as impairment losses associated with the closure of our Kakegawa Plant as part of efforts to build a structure that optimizes the location of production. Despite the downturn in net income owing to the impact of these one-off initiatives attributable to the selection and concentration of management resources and subsequent year-on-year decline in ROE and ROIC, contribution to profits from core businesses were greater than expected.

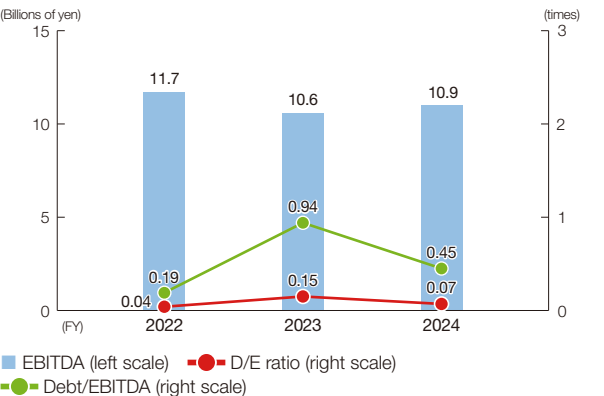
Inventory Assets / Period of Inventory Turnover



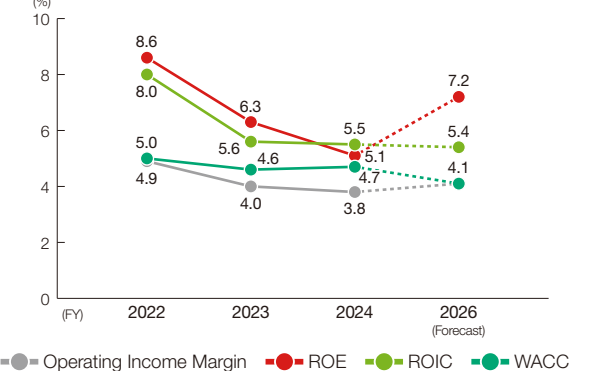
Trends in Consolidated Free Cash Flow (FCF)



EBITDA / D/E Ratio / Debt/EBITDA



Profitability / Capital Efficiency



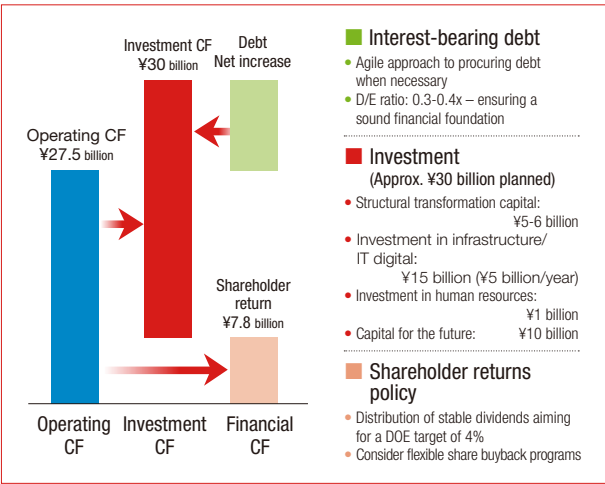
## Cash Allocation

Earth Corporation is looking to actively invest in growth under its Medium-Term Business Plan. In addition to the approximately ¥27.5 billion in operating cash flow that the Company is projecting it will generate over the three-year period from 2024, the Company estimates it will invest a total of ¥30 billion by drawing on its optimal capital structure and effectively utilizing borrowings in a bid to reduce WACC. Over and above the expansion of production facilities and investments in IT and digitization, we are looking toward structural reforms as well as preparatory steps to flexibly address M&A opportunities geared toward further growth.

In 2024, we generated operating cash flows of ¥13.9 billion, which exceeded initial expectations, and steadily pushed forward investments in line with plans.

From a strategic investment perspective, we will work to determine investments based on set hurdle rates that take into consideration the cost of capital. At the same time, we will continue to properly monitor returns.

Cash Allocation (Outline of total amounts from 2024 to 2026)



## Shareholder Returns Policy

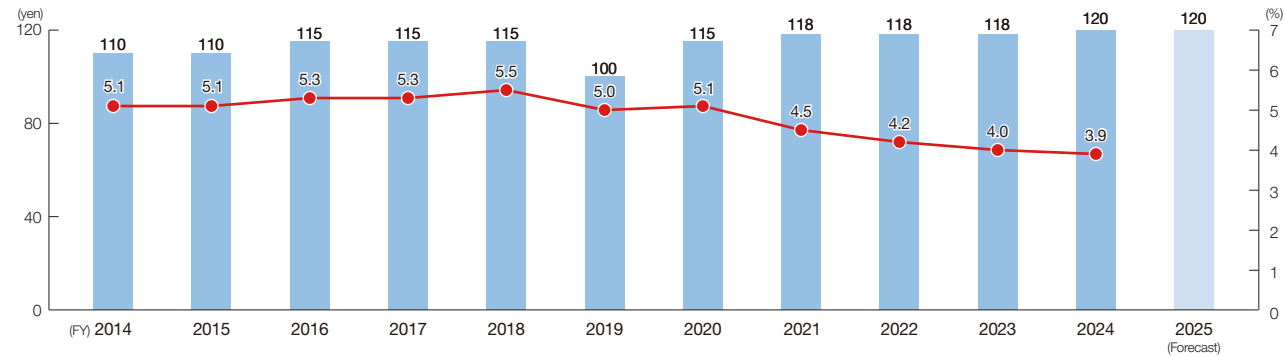
The return of benefits to shareholders is an important management issue. While securing internal reserves to ensure our sustainable growth and maintain a robust management structure, we endeavor to secure the continuous and stable payment of dividends as well as maintain a dividend on equity (DOE) target of around 4%. At the same time, our policy is to consider the flexible acquisition of own shares in line with cash flows conditions and share price trends.

As far as our dividend for the fiscal year ended December 31, 2024 is concerned, in addition to the regular full-year dividend of

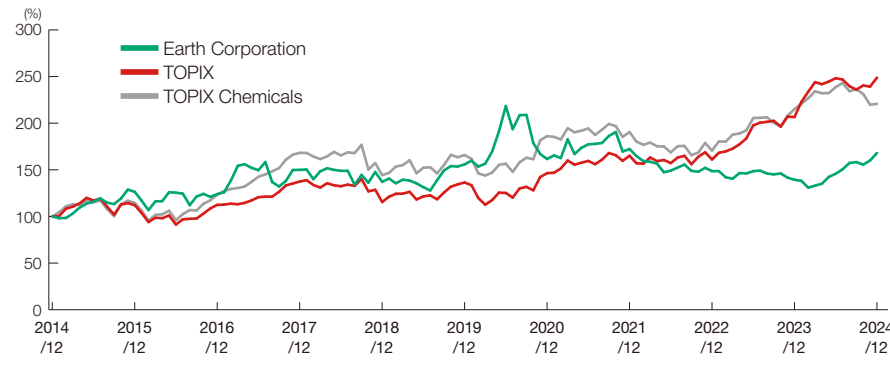
¥118 per share, we decided to pay a commemorative dividend of ¥2 per share to express our gratitude to all parties involved for their long-term support and cooperation as we mark our 100th anniversary in 2025 for a full-year dividend per share of ¥120. As a result, our DOE ratio came in at 3.9%.

In addition to the aforementioned, we repurchased a total of ¥2 billion of our own shares between March and July of 2024. Through these means, every effort was made to flexibly provide shareholder returns.

Annual Dividend per Share / DOE



TSR

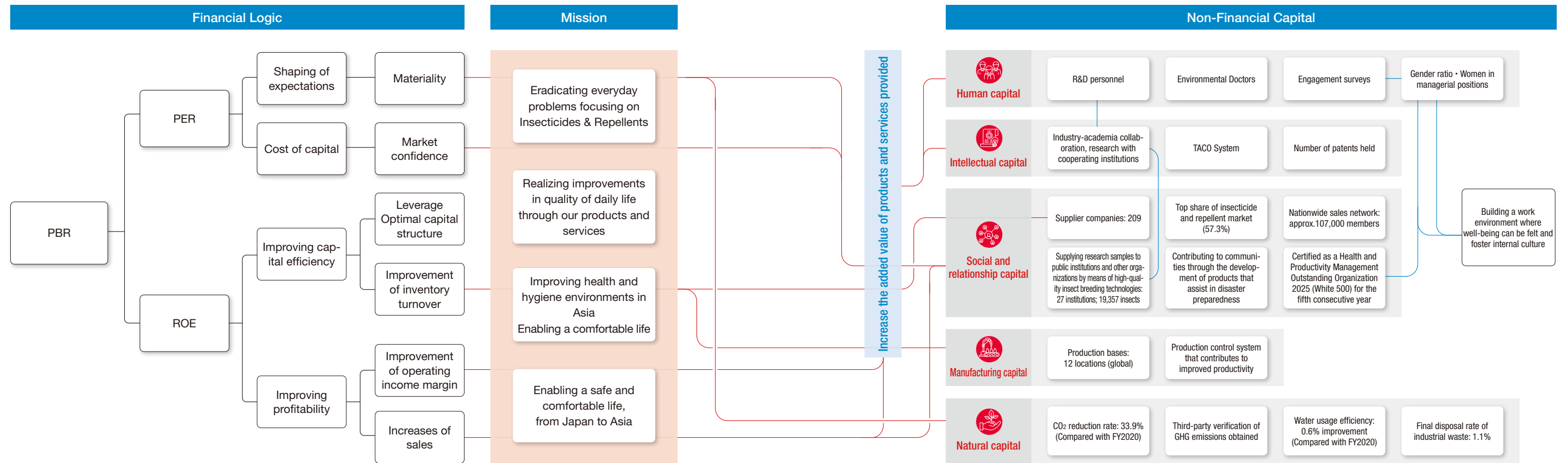


\* Total Shareholder Return (TSR): Total shareholder yield. Total investment return combining capital gains and dividends.

\* Earth Corporation calculates TSR based on cumulative dividends and share price fluctuations, while TOPIX calculations are based on a stock price index including dividends (Created by Earth Corporation using Bloomberg data, etc.).

\* The graph values are calculated by indexing the TSR-based market value, the closing price data as of December 31, 2014, as 100 (holding period up to the end of December 2024).

## Link between Non-Financial Capital and Financial Value



As the Company incorporates sustainability into its management and applies integrated principles to its operations, Earth Corporation is acutely aware of the value and importance of non-financial capital. Here, we developed a logic tree to visualize how the five types of non-financial capital (human capital, intellectual capital, social and relationship capital, manufacturing capital, and natural capital) defined by the IIRC are linked to financial capital.

As illustrated in the above diagram, non-financial capital is closely aligned with financial value through our mission. In this context, we believe that the more difficult it is to procure capital, the higher the value it generates. The issue at hand going forward is therefore to quantify the extent to which the results of these non-financial initiatives are linked to future corporate value. In order to ensure that stakeholders have a proper understanding of our value as a company and future prospects, we will work diligently work with the Sustainability Promotion Department and other related departments to disclose the necessary information from both the financial and non-financial perspectives.

### Human capital

In line with the importance that we place on "Diversity" as a core Earth Value of our corporate philosophy, we pay particular attention to investing in human capital. In this regard, we are enhancing the value of the products and services that we provide

by hiring highly specialized human resources, including R&D personnel and environmental doctors, while upgrading and expanding training. In addition, we believe that the training and development of human resources who can promote DX will become increasingly essential in the years ahead.

Meanwhile, we are endeavoring to put in place a workplace environment and foster an internal culture that allow employees to feel a genuine sense of well-being. Among a host of such initiatives, we are working to increase the ratio of women in managerial positions, a key feature of our materiality measures, and to improve engagement with employees, including the promotion of a variety of Company benefit-related endeavors.

### Intellectual capital

We recognize the importance of intellectual capital as the well-spring of our monozukuri (manufacturing) activities and efforts to provide services. We continue to cultivate the seeds that we harvest and store as advanced intellectual know-how through our highly specialized R&D personnel in collaboration with industry and academia as well as research with partner institutions. These activities have led to the acquisition of more than 300 patents and helped set our products apart from competitors.

Another critical aspect of our work is the emphasis that we place on the customer's perspective. Each year, we receive

around 90,000 inquiries from customers. Through our TACO (Tactical Antenna for Consumers' Opinions) system, we consolidate these feedbacks as "customer insights," which serve as the basis for developing products that address both latent and clearly expressed customer needs.

### Social and relationship capital

Earth Corporation's relationships with various stakeholders also play a significant role in the creation of financial value.

Our collaboration with more than 200 suppliers ensures the timely and stable supply of high-quality raw and other materials, which in turn allows us to optimize product inventories. In addition, we deliver products to customers through our nationwide sales network and have secured a high market share, a measure of the support we enjoy from customers.

Meanwhile, we have garnered trust as a company through a variety of initiatives. This includes contributing to academic development as well as local communities by supplying research samples to public institutions using insect breeding technologies, developing products that help prevent disasters, and concluding comprehensive alliance agreements with municipalities.

### Manufacturing capital

Earth Corporation maintains 12 manufacturing bases both in Japan and overseas. As such, we have put in place a structure that optimizes the location of production as a part of efforts to promote global expansion going forward. In particular, realizing "local production for local consumption" overseas is contributing to the reduction of transportation delays as well as local employment. Moreover, we updated our core system in 2024 and have built a production control system that contributes to improved productivity.

### Natural capital

As embodied in our corporate philosophy, "We act to live in harmony with the Earth," our business activities are inextricably linked to the natural environment. We are especially aware that efforts to mitigate and adapt to climate change may impact our continuity as a business concern over the medium to long term.

Positioning efforts to address climate change as a key management issue, we are working to reduce CO<sub>2</sub> emissions in a bid to help the transition to a decarbonized society and enhancing water usage efficiency while cutting back the final disposal rate of industrial waste with an eye on global environmental issues. Reflecting the stance that we value as a company, we believe that these initiatives will help shape future expectations.

# Earth Corporation’s Human Capital Management



**Norio Horiyama** Senior Executive Officer  
Associate Director, Administration Headquarters and  
General Manager, Human Resources Management  
Department

**Yukiko Sai** Administration Headquarters  
Manager, Well-Being Promotion Section,  
Human Resources Management Department

## The Background Behind and Purpose of Formulating Our Human Resources Materialities

**Horiyama** Around the same time we formulated the medium-term business plan in 2024, we developed a new set of Human Resources Materialities, which we are applying on a Group-wide basis. Behind this lies our motto, which is rooted in our core value of “Diversity.” As part of this effort, we also renamed the Human Resources Department the Human Resources Management Department in 2021, and formulated our Human Resources Philosophy and Human Resources Management Policy to more clearly convey our core tenet of growing together with our employees. In all honesty, these initiatives did not extend to include the concept of human capital management at the time. Taking into consideration society’s growing interest and the acknowledged way forward for the Company, however, we fully recognized the importance of human capital management thereafter.

**Sai** In specific terms, the Human Resources Management Department and Corporate Planning Headquarters worked in unison to coordinate their policies and codify the Group’s Human Resources Materialities to better reconcile with the medium-term business plan internally. At the same time, in coordination with the CSR & Sustainability Promotion Department and Legal Department,



we also formulated our Human Rights Policy; the Diversity, Equity, & Inclusion Policy; and other related policies as part of a united Group-wide effort to establish human resources-related systems and concepts. As the four pillars of our Human Resources Materialities, Strengthening Group Management, Well-Being, Fostering Talent,

and Supporting Career Development are each central themes that we established based on our Corporate Philosophy.

**Horiyama** I think that the outcomes of constantly questioning our vision for the Company as part of our initiatives has brought to light our medium- to long-term aspirations and short- to medium-term issues regarding human capital.

## Vision for Human Resources and the Direction of the Portfolio

**Sai** We defined our vision for human resources both from a short- to medium-term perspective, and from a long-term standpoint. From a long-term perspective, our goal is to foster human resources who empathize with Earth Policy and Earth Value, and consistently produce value while respecting diversity. As far as our short- to medium-term aspirations are concerned, we envision human resources with the expertise and workplace skills necessary to flexibly overcome business hurdles in Japan and abroad based on the medium-term business plan.

**Horiyama** We are currently facing growing pressure on our ability to address overseas markets as we reinforce our global expansion endeavors. For this reason, we require global human resources with more than just language skills. We also need human resources who possess practical experience in sales and development, and who can address changes in the field. Throughout our past, our strength has been our nimble sales style in which sales representatives can take the initiative in visiting retail outlets to secure shelf space. This is without question our current approach in our Southeast Asian and other international businesses, where sales representatives travel from store to store. This also means we are home to many human resources who possess sales experience and embody Earth’s unique culture, which I feel will become a source of competitive advantage.

## Visualizing Skills Using the Talent Management System

**Horiyama** Since 2024, we have more effectively utilized our existing talent management system to establish a human resources database, and to record data in a way that allows us to centrally manage the skills, work histories, and aspirations of our employees.

In this way, visualizing information that we had been unable to identify in the past will help us to more strategically investigate training programs and assignments tailored to each employee.

**Sai** While initially adopting this approach for Earth Corporation on a stand-alone basis, I feel we must expand it to all Group companies in the future. We must also consider improving the skills matrix and conducting assessment system trials. The details of this approach should be expanded in a way that allows us to use this newly identified information in formulating the skills balance for the overall organization and in succession planning.

**Horiyama** Organizing this data will allow us to avoid relying on any one individual for human resources investment decision-making, and to see greater transparency and understanding as a company.

## Building a Career Support and Reskilling System

**Sai** Going forward, we must define our vision for the global and other types of human resources that we will require today and into the future on a departmental basis, and develop a system that identifies the skills and aspirations of our human resources. I feel that we can build a sustainable organizational foundation by developing our human resources in a systematic manner based on the portfolio.

**Horiyama** Using the talent management system, we are already working to create a database of employee transfer as well as mid-career hire work histories. We also intend to improve our consultation systems in a way that allows us to use this data in support of independent career development by our human resources. Even just having a system that allows employees to consult with someone when they cannot decide on their career path will likely make it easier for them to take that first step. This might take the form of a so-called career support consultation office, which would identify the desires and strengths of our employees and coordinate with the heads of each department to facilitate transfers and new challenges. I think that doing so would go beyond just preventing resignations. It would also enhance our vitality as a company.

**Sai** Having initiated online video learning support in July 2024, we are now working to create an environment in which all our employees can continuously learn, and that can flexibly address reskilling needs. We must also consider the skill definitions for management positions, which is why we are at the same time revising the rank-based training system.

## Practicing Well-Being and Diversity Promotion

**Horiyama** From the perspective of health management, we are strengthening support systems that also embrace our employees’ families. In addition to collaborative health efforts between the Group and health insurance societies, this effort also involves initiatives unique to Earth Corporation. Initiatives include expanding internal and external health consultation options and enhancing health literacy. In recognition of these initiatives, we were selected as a brand under the KENKO Investment for Health Stock Selection for the first time in 2025. Establishing an environment in which employees are healthy and can continue to work long-term with peace of mind can also be considered the foundation for supporting corporate sustainability.

**Sai** When I first joined the Company, there were only a few women

in management positions, and many women would resign after getting married or giving birth. Although more women now work in management positions than they did then, and despite feeling that the workplace environment has become much more comfortable, this effort is still a work in progress. We still require systems that support everyone who, regardless of gender, works while raising children or caring for family members, which is why we will also enhance our leave systems and expense assistance options. The fact that more male employees have also recently started taking childcare leave, while more employees are using flexible work programs, also shows me that the internal culture is gradually changing.

**Horiyama** In addition to making these kinds of system developments, we must also implement improvement measures that correspond to specific issues based on a careful analysis of the engagement survey results. We only just conducted our first engagement survey in fiscal 2024 after shifting away from the satisfaction surveys we used until recently. Although this means concrete efforts are still a future question, what we aim for are workplaces that allow all of our employees to truly feel glad to be a part of the Company.



**Sai** Even President Kawabata has said that he wants our employees to feel comfortable while at Earth Corporation and to enjoy themselves. For this reason, we must realize well-being along with workplaces that allow employees to be healthy and work with excitement. As the individual in charge of promoting well-being, I am therefore working to create an environment in which each of our human resources can play an active role in a healthy manner.

## Instilling the Philosophy and Passing on Earth’s Unique Culture

**Horiyama** Ultimately, the key to our sustainable growth is ensuring our employees like the Company. For this reason, we place particular importance on instilling the Corporate Philosophy and Earth Value. If we are home to human resources who feel pride in working for the Company and who have inherited Earth’s unique culture of connecting our philosophy to action, I believe we will continue to exist as a company 50 years from now.

**Sai** As a mechanism for sharing our values as part of everyday tasks, we are increasing opportunities for employees to touch upon our philosophy through explanations at the start of meetings, entries in employee notebooks, and hashtag settings for the peer bonus system.

**Horiyama** I believe that we will have realized sustainable growth when a culture that applies the philosophy as a guideline for decision-making and conduct, not just as a slogan, has taken root. In order to realize human capital management that evolves in response to changes in the times, we will make every effort to improve the environment and foster human resources.

# Human Asset Strategy

Earth Corporation views employees as highly valuable sources of corporate development, and as such we see them as being “assets” rather than “resources.” In the belief that workplaces where employees can grow and feel motivated are the very thing that leads to long-term value creation, based on our core Earth Value of “Diversity,” the Earth Group is committed to “Building a workplace that empowers diverse talent who share the Earth Policy and Earth Value.”

| Materiality (Key Issues)                                           | Key Topics and Main Measures                                                             | Targets and KPIs                                                 | FY2024 Results |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------|
| Creating workplaces that support activities by diverse individuals | • Support female empowerment by raising the share of women in management-level positions | • Female manager ratio: At least 30% (2030)                      | 11.8%          |
|                                                                    | • Encourage employees to take annual paid leave entitlements                             | • Paid leave usage rate: Maintain a level of at least 70% (2030) | 76.6%          |

## Basic Approach to Realizing Human Capital Management

In an effort to realize our corporate philosophy and business goals, we formulated Earth’s Human Resources Philosophy and Human Resources Management Policy, and codified our basic approach to human resource measures in alignment with our Human Rights Policy and Labor Practices Policy. Likewise, we are deploying strategies to support sustainable growth with our approach to human asset management centered on our four human resources materialities, which were identified from both long-term and short- to medium-term perspectives when

formulating the Medium-Term Business Plan, Act For SMILE COMPASS 2026. With the aim of achieving well-being that enables diverse human assets to develop their careers with a high level of engagement, we are employing various measures that contribute to the key topics of the Medium-Term Business Plan. These topics include reducing fixed costs by consolidating various functions, training and leveraging overseas human assets, and strengthening the Group’s management structure.

**Earth HR Philosophy**

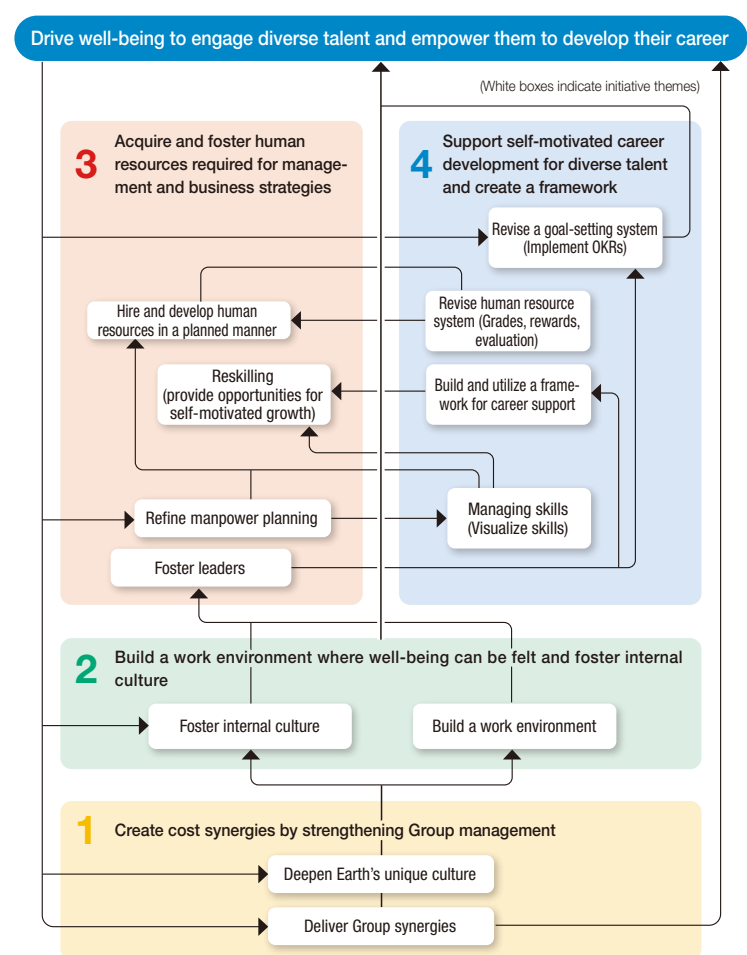
**Growing together with employees**  
=Challenge to Grow=  
~WE VALUE ALL OF OUR COLLEAGUES, AND TAKE ON CHALLENGES TOGETHER~

**Earth HR Policy**

- Look for people who understand our corporate policy
- Foster people who can independently carry through on our Group policy
- Provide people who are willing to take on challenges with meaningful work and opportunities
- Richly reward people who achieve results
- Create workplaces where people can work with peace of mind
- Achieve diverse workstyles

**Human Resources Materiality**

1. Create cost synergies by strengthening Group management
2. Build a work environment where well-being can be felt and foster internal culture
3. Acquire and foster talent required for management and business strategies
4. Support self-motivated career development for diverse talent and create a framework



- Human rights, diversity
- Human asset development, evaluations, hires (in Japanese)

[https://corp.earth.jp/jp/sustainability/society/human\\_rights/index.html](https://corp.earth.jp/jp/sustainability/society/human_rights/index.html)

<https://corp.earth.jp/jp/sustainability/society/nurturing/index.html>

## Human Asset Development for Maximizing Human Capital

### Human Asset Development Policy

In the belief that continuous individual growth is essential to achieving sustainable business growth, at Earth Corporation we expect all employees—regardless of their nationality, age or other personal details—to empathize with the Group’s Earth Policy and Earth Value. At the same time, we support employees in developing their careers independently and endeavor to provide development opportunities that will enable them to take on challenges in a changing business environment.

### Enhancing Training Programs

With the aim of developing self-directed human assets, we systematically provide grade-specific training and training for specific purposes to motivate employees, help them develop their careers, and enhance their knowledge and capabilities. In 2024, we revised our training programs, and provided training that combined outside instructor-led programs with internally-developed training programs. Training program topics for the executive level included effective management and member training, those for the manager level included communication and coaching, and those for the leader level included follow-up for young employees and personnel training. We also initiated online video learning support programs, thereby providing self-led learning opportunities to many of our employees. The total number of employee training hours for the year ended December 31, 2024, came to 39,466 hours.

## Building of Workplace Environments

### Workplace Environment Improvement Policy

For each and every employee to fully utilize their unique strengths and be dynamically engaged/thrive, the Company recognizes that it is important for them to be healthy both physically and mentally. We are thus actively working to build workplace environments in which employees can thrive while feeling highly engaged and a sense of well-being.

### Promotion of DEI and Health Management®

Based on the belief that a company has no future if its employees are not healthy, we have recognized employee health as an important management issue.

In 2019, we therefore established the Earth Health Declaration as a message from our President & Representative Director, and organized a Committee for Promoting the Health of Employees and Their Family Members, which is headed by a senior executive officer. Similarly, we set the abnormal finding rate for regular health examinations and the productivity loss rate due to presenteeism as KPIs for overall health management, and implement PDCA cycles for the target values we have stated our intention to achieve by 2030. Other initiatives in which we are also engaged include those for promoting the active participation of female employees, supporting a balance between childcare, nursing care, or illness and work, improving offices, introducing systems that allow for flexible work styles, enhancing company benefits, and invigorating different types of communication. In fiscal 2024,

### Skill Management and Human Asset Pooling

Leveraging our talent management system, we manage the skills of our employees, as well as engage in systematic human asset recruitment and development efforts and more refined personnel planning. In particular, in order to achieve our goal of “Expanding Overseas Sales,” one of the main drivers in the Medium-Term Business Plan, we are preparing to define the requirements for those human assets suited to overseas business expansion, and to progress with human asset pooling. Although this initiative using the talent management system is currently limited to Earth Corporation on a stand-alone basis, we plan to construct a Group-wide system in order to successfully place the right people in the right positions within the Earth Group in the future.

### System to Encourage Taking on Challenges and Support for Career Development

When evaluating employees, we place great importance on communication between managers and members. By ensuring transparency in evaluations and clarifying the accountability of managers, we are creating a satisfying working environment that leads to support for employee growth. We have also continuously implemented an in-house recruitment system since 2019 with the aim of providing motivated employees with opportunities to take on new challenges, placing the right people in the right positions, and revitalizing the Company.

we were certified as a Health & Productivity Management Outstanding Organization –White 500– for the fifth consecutive year since 2021, and were selected as a brand for the KENKO Investment for Health Stock Selection for the first time.



### Identifying Employee Engagement

We have been conducting employee satisfaction surveys since 2020 to confirm the effectiveness of each measure and the status of our human assets and organization. Starting in 2024, we employed a motivation management tool to conduct employee engagement surveys. Our engagement rating based on the standard deviation for employee engagement was assessed as “B,” the sixth level out of a total of eleven. We are committed to solving organizational issues and to improving workplaces based on the survey results.

### 2024 Engagement Survey Response Results

| FY   | Number Surveyed | Number of Respondents | Response Rate | Rating |
|------|-----------------|-----------------------|---------------|--------|
| 2024 | 1,427           | 1,419                 | 99.4%         | B      |

## Research & Development Strategy [Message from the Director General]



**We are committed to sincerely addressing those issues that are of concern to our customers and will continue to deliver safety, security, and comfort.**

**Takayuki Nagamatsu**  
Managing Executive Officer  
Director General,  
Research & Development Headquarters

### Earth Corporation’s Unique Approach to Product Development

At Earth Corporation, we place considerable importance on the customer’s perspective and conduct research and development on useful technologies and materials with a focus on for whom and on how they will be used. Uncovering problems and anxieties in daily life that our customers themselves may not even be aware of, we will continue to bring about changes in their lifestyles through our innovative products and create products that are of benefit to society.

There are three key elements to creating originality in our R&D initiatives. First, we develop products with clearly superior performance that customers recognize the moment they use them—products they will want to keep using. One example is Black Cap, which is effective for a year from the first day of initial use.

Second, we develop products that impress customers both when they first see them and when they use them. For instance,

products like Goki Jet and Earth Jet feature a pistol-shaped nozzle that delivers a visual impact. That same shape also strengthens spray power and ease of use, offering a second moment of delight.

Third, we develop innovative products that are different from other existing products. While most people can come up with ideas to refine an existing product concept and make it more complete (i.e., taking it from 1 to 100), creating something new from scratch (i.e., from 0 to 1) is more challenging. To overcome this challenge, our researchers themselves conduct in-store market research and participate in business negotiations, gaining the perspective of a customer in addition to that of a researcher, an approach that we believe is a key advantage.

### Product Development Process and Technological Capabilities

Our product development is briefly as follows.

In addition to regular meetings within sales, marketing, R&D, and procurement departments, we hold cross-organizational meetings to share information. For example, the sales and marketing teams meet monthly to explain products and sales methods.

Within the R&D Headquarters, we meet twice a year in new product idea forums where younger researchers and employees in charge of research in other fields present and discuss ideas. New product idea meetings for each category also serve as places to present medium- to long-term research ideas to explore in depth. These forums are events designed to foster ideas and increase motivation by offering ample opportunities for presentations by researchers. Moreover, we have product category strategy meetings to refine and implement marketing strategies with input from the R&D Headquarters.

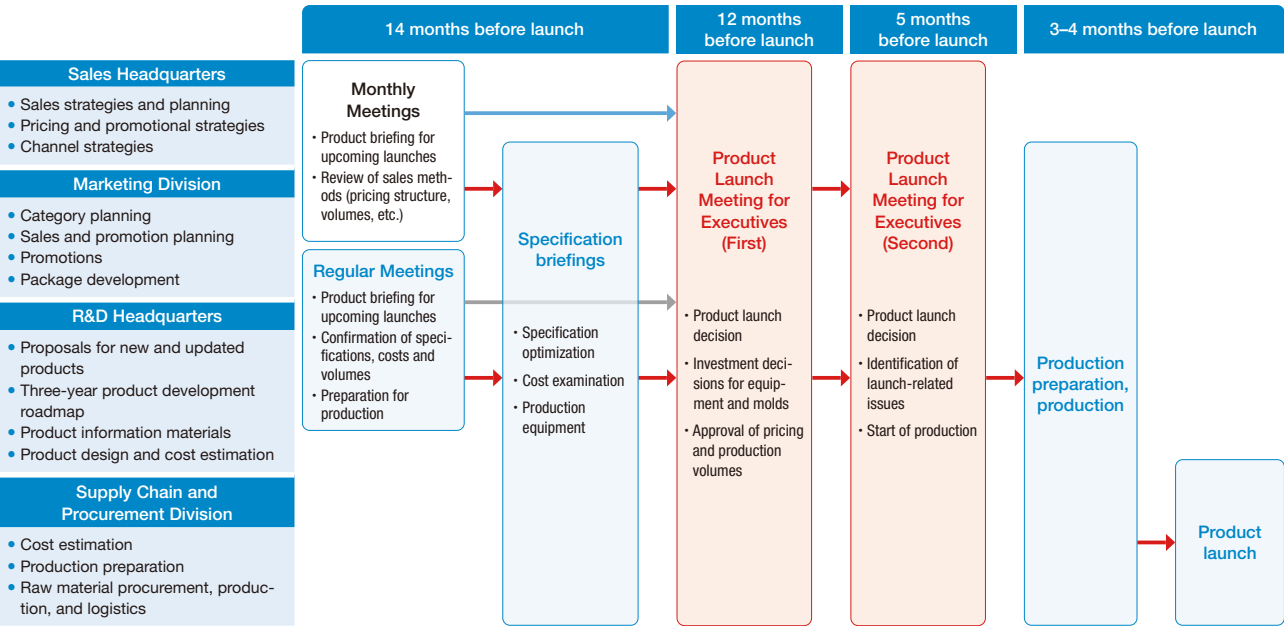
Through these various meetings, we have built a framework for continuously generating ideas for new products and product updates. What matters most is how quickly these ideas can take shape and lead to successful product launches. At the earliest

stages, we assess the ideas of all employees through the lens of differentiation from existing products and their potential to solve the problems of customers. Once these key points are identified, we can set clear goals from the outset. From there, we closely monitor progress by reviewing detailed reports and carefully manage development schedules to ensure speedy development.

Furthermore, staff from our “insect breeding room,” which is home to more than 90 species of pests, are constantly at the ready so our researchers can test and develop without restrictions. The support of this staff is instrumental to our successful research of Insecticides & Repellents, by helping researchers in the lab evaluate effectiveness against difficult-to-control pests with a high level of resistance to insecticides, as well as against pests not frequently encountered in our daily lives.

As a result of these efforts, we released 179 new or updated products in Japan and 148 overseas during fiscal 2024. Looking ahead, we will continue to refine our internal product launch processes in coordination with marketing and sales initiatives in order to achieve more efficient product launches with higher success rates.

Product Commercialization Process



### Cross-Organization Collaboration and Corporate Culture

In a world where it is becoming increasingly difficult to create major hit products, we believe it is more important than ever to strengthen the cross-organizational collaboration that has long been one of our advantages. As companies grow in size, individual divisions tend to diverge in direction, each forming its own logic and way of thinking. To ensure employees maintain a whole-company perspective, we must enhance communication to bridge these gaps.

At Earth Corporation, we embrace “One Earth, Open communication, Diversity” as our internal value system. In line with these values, researchers begin engaging with other divisions early in their careers—consulting, coordinating, and preparing for product launches through proactive cross-organizational collaboration. We have built a system in which open communication, free thinking,

and new ideas contribute to the development of new products.

Even in reports and meetings about Insecticides & Repellents, we ensure that developers from other categories and employees from other divisions attend and actively exchange ideas. For example, a discussion on how surfactants easily spread across leaves in gardening situations may inspire innovative applications in other product categories. We want our employees to develop the natural ability to draw such connections and apply technical insights across different product lines.

Rather than working on product ideas in isolation, we encourage employees to share information and exchange ideas from their diverse perspectives. This is the primary objective of our internal meetings—to facilitate cross-organizational creativity that drives innovation.

### Toward a Recycling-Oriented Society and the Future of Our Products

With the aim of realizing a recycling-oriented society, we believe it is not enough to pursue charitable or support-based initiatives alone. It is also essential to provide new value to customers while also considering how such efforts ultimately contribute to corporate profits.

For example, we offer highly original products for which only our Company was granted approval, such as our “Earth Cockroach Repellent for Kitchen Storage and Cupboards,” which contains mint oil and no synthetic insecticidal ingredient. Developing this product required carefully selecting ingredients from a range of natural substances, managing raw materials, obtaining regulatory approval as a pharmaceutical from Japan’s Ministry of Health, Labour and Welfare, and establishing a stable production and supply system. We expect our researchers to think deeply about

the kind of future they envision and what value their product will give to society once it is in the customer’s hands.

As far as gardening is concerned, there is growing demand for non-insecticide pest control solutions that are gentle on both people and plants. In response, Earth Corporation has developed “biostimulants,” or agrichemicals that enhance a plant’s natural defenses to repel insects, and is publishing this breakthrough in academic publications and conferences.

However, no matter how innovative a product may be, it much reach customers in order to be booked as sales. As the number of new products under development continues to increase, our next challenge is to establish a system that consistently delivers business results with a high probability of success.

# Research & Development Strategy

At Earth Corporation, we create high-quality, safe, high-value-added products with the aim of realizing healthy and comfortable lives for everyone. In our R&D, we place particular value on “the customer’s perspective” and engage in wide-ranging activities, from basic research to product development, at a speed of development that responds to the rapidly changing domestic and international market environments as well as consumer trends.

## Earth Corporation R&D

### R&D Policy

At Earth Corporation, we place importance on the customer’s perspective and conduct research on and the development of useful technologies and materials with a focus on for whom and on how they will be used. Discovering problems and dissatisfactions in daily life that our customers themselves may not even be aware of, we will continue to bring about changes in their lifestyles through our innovative products and create products that are of benefit to society.

Customer insights sent from the Customer Service Department provide valuable clues for development and improvements. The relevant departments are promoting the widespread use of a text mining system so that they can research and utilize those insights from their own departmental perspectives.

▶P.45 Adhering strictly to the customer’s perspective utilizing customer feedback

### Diverse R&D Human Resources

Centered on our R&D sites, including the Ako Research Institute and the Saito Research and Training Institute (T-CUBE), we employ R&D human resources working in a wide range of areas, from basic research to product development, who are researching and developing products that meet a variety of needs. The Group companies BATHCLIN Corporation, Hakugen Earth Co., Ltd. and Earth Pet Co., Ltd. also have research facilities in Thailand and Vietnam, where they conduct research day and night while sharing and consulting with each other on the findings of their research across organizational boundaries. Once a year, each company also reports on the results of its research, and an initiative called Inspire One Earth is carried out to generate new product ideas from those results.

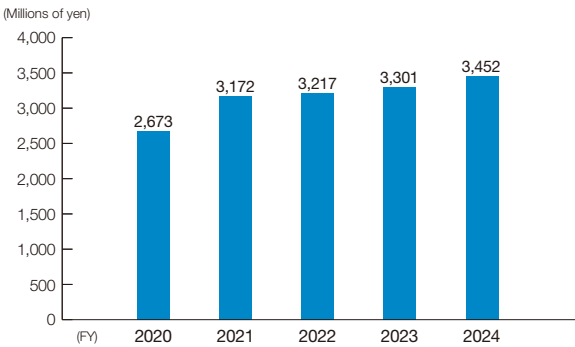
Our R&D human resources come from a wide range of backgrounds centered on chemistry and biology, including insect- and plant-related fields, pharmacology, organic synthesis, nutritional chemistry, and genetics. Many of them offer diverse perspectives and possess a high level of expertise.

Leveraging the technologies and know-how that we have cultivated over the years, our main fields of R&D cover insecticides & repellents and extend to a wide range of other fields, from home gardening products to homecare products. In our General Environment and Sanitation Business, we conduct research into microorganism testing, checking for foreign objects, and genetic identification. We also engage in the development of insect and rodent control-related products as well as sterilization and disinfection technologies, while researching and developing new technologies and services.

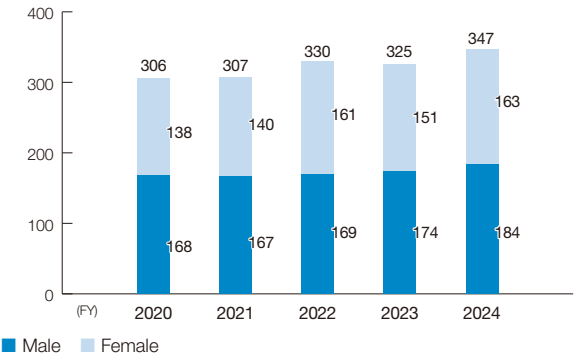
### Ingenuity to Brainstorm Ideas and Extensive Research Facilities

To create a corporate culture in which anyone can freely express their opinion, regardless of age, position, or interdivisional barriers, we have removed the partitions between offices and

Trends in R&D Expenditures



Trends in Number of Employees at R&D Headquarters (consolidated)



hallways in accordance with our corporate spirit of an “open door policy.” By reducing the number of physical walls within the labs, communication is naturally stimulated, generating freer ideas and new opinions.

Our development capabilities, which allow us to bring more than 100 new products to market each year, are also supported by our extensive research facilities. Depending on their intended use, we check the effectiveness of products in a variety of test rooms that replicate ordinary households. We are also fully equipped with greenhouses and vegetable gardens to test the effectiveness of our horticultural products. Raising more than 90 species of insect pests in our animal breeding rooms, we conduct ecological research on a daily basis to meet all kinds of pest control-related needs.



Producing more than 100 new products a year, the research facility in our Sakoshi Plant is the driving force behind Earth Corporation.

### Policy Regarding Intellectual Property

In the belief that intellectual property (IP) represents an important management resource, we are working to secure a competitive advantage, expand our business, and enhance earnings by promoting an IP strategy that is fully integrated with our business and R&D strategies. We believe that by protecting our innovative technologies by widely leveraging our IP and bringing to market original products backed by those technologies as well as innovative products that help resolve social issues, we will be able to contribute to a sustainable society.

From the early stages of product development, our R&D Headquarters as well as marketing and IP departments work closely together to promote and put into practice an “IP mix.” This leverages multiple IP assets at the appropriate time to protect, for example, the technologies, designs, names, and slogans that are created during the development process.

We believe that by utilizing the IP mix to safeguard the technologies and designs of original products brought to market with design patents and design rights—while advancing brand development protected by trademark rights—we can contribute to the creation of products that will be chosen by and popular with customers for a long time to come.

### Promotion of Global IP Activities

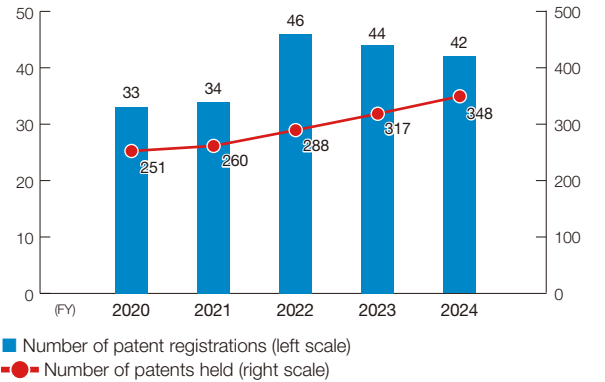
To accelerate the pace of growth and strengthen global expansion in our overseas businesses, which possess high growth potential, it is essential that we promote global IP activities that support the business development of the Earth Group as a whole.

In particular, we recognize that measures taken against counterfeit products are an important issue, as occurrences pose a threat to consumers’ safe and comfortable lives and could lead to Earth Corporation’s brand image being tarnished. To address this issue, we engage in the monitoring and elimination of counterfeit products from e-commerce sites. Earth Corporation and local Group companies also work closely together to combat counterfeit products and protect the brand value of our products.

### Achievements from IP Activities

Contributing to efforts aimed at strengthening and advancing our business in the years to come, we will work diligently to further expand and enhance our IP activities.

Trends in Number of Patent Registrations / Patents Held



\* Number of patents held: Of the total number of registered patent rights, the number of unexpired rights

### Generating Innovation Though Our Cultivated Hygiene Management Technologies

In 2018, Earth Environmental Service Co., Ltd., the Earth Group company that operates the General Environment and Sanitation Business, joined Nakanoshima Cross (Osaka City, Osaka Prefecture) with the aim of contributing to people’s health by driving innovation creation in future and advanced medicine as well as promoting its early practical application and industrialization. Leveraging the knowledge and skills the company has been cultivating in the field of hygiene management—as well as Japan’s only hygiene management-specialized education and training CPC,\* located within the Saito Research and Training Institute (T-CUBE), where hygiene management and environmental maintenance (including facility structure) are studied—the company will support the development of safer and more efficient medical technologies and production sites by optimizing the environment for future medical care.

\* Cell Processing Center: A cell processing facility

### Maintaining Overwhelming Market Share Through Tireless R&D and Technology Accumulation

**Gokiburi Hoy Hoy** In the 1960s, Earth Corporation was in financial distress and facing bankruptcy, and Gokiburi Hoy Hoy became a driving force for growth.

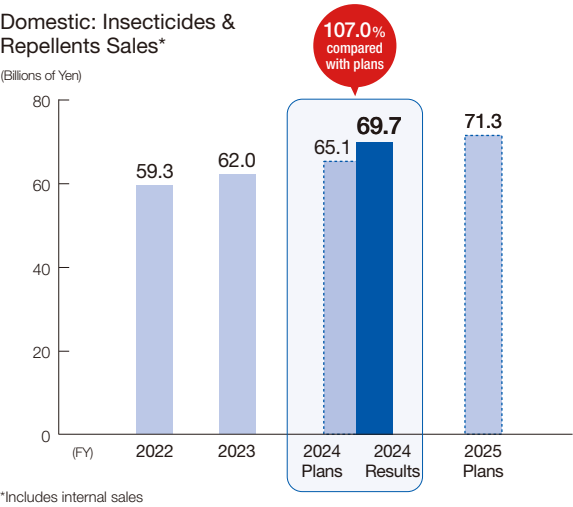
In the 1970s, cockroach habitats began to move indoors due to changes in living conditions, which became a problem for many people. In response, taking our inspiration from birdlime, we commenced development. After the release in January 1973, orders flooded in to such an extent that they exceeded production capacity, and the Company turned a profit in that one summer. Since then, various improvements have been made to improve trapping power, such as the “foot mat” and “deco-boco (uneven) sheet,” leading to the product seen today. Although many similar products were released by competitors in the 1990s, we have maintained solid product appeal and market superiority on an ongoing basis by constantly improving and strengthening functions from the customer’s perspective. Since its launch, Gokiburi Hoy Hoy still accounts for approximately 90% of the domestic cockroach trap market and is sold under the name HOYHOY in 30 countries around the world, boasting overwhelming recognition as a synonym for cockroach traps.



# Household Products Business

Today’s lifestyles have changed significantly, including the ways in which people view environmental health, safety, and reliability, leading consumers to increasingly express their desire to live fuller, more enjoyable lives. Over the 100 years since its founding, Earth Corporation has been helping to support people’s lifestyles. We have kept apace of people in their efforts to realize enjoyable lives by providing insecticides & repellents, bath salts, oral hygiene products, and other homecare products.

Insecticides & Repellents



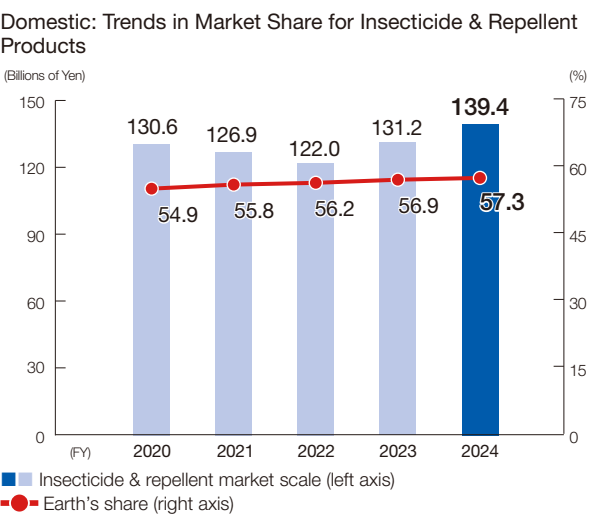
In the Insecticides and Repellents segment, Earth Corporation primarily handles products that exterminate and repel flies, mosquitoes, cockroaches, ticks, and other harmful insects. With sales of ¥69,744 million, this segment accounts for approximately 39% of total Company sales, and constitutes a highly profitable core business.

The previously used term “Insecticides” focused unnecessarily on the toxicity of the chemicals used, even though they were safe. We changed the term to “Mushi-Care” in Japanese, or “Insecticides & Repellents,” in 2017, so that customers could properly understand the safety of our products and use them with peace of mind.

### ● Market Conditions

The size of the insecticide & repellent market had been on a downward trend since peaking in 2020 due to the stay-at-home demand triggered by the COVID-19 pandemic, but reversed itself to once again exhibit an upward trend in 2023. Amid the extended sales periods for insecticide & repellent products as a result of climate change, our market share has grown to 57.3%\*1 with the support of our customers as a result of favorable shipments of new products and the effects of price revisions to meet the growing needs for prevention throughout the year.

\*1 INTAGE SRI+ Insecticide Market Share for 2024 by Total Sales Value (excluding insecticides for home gardening)

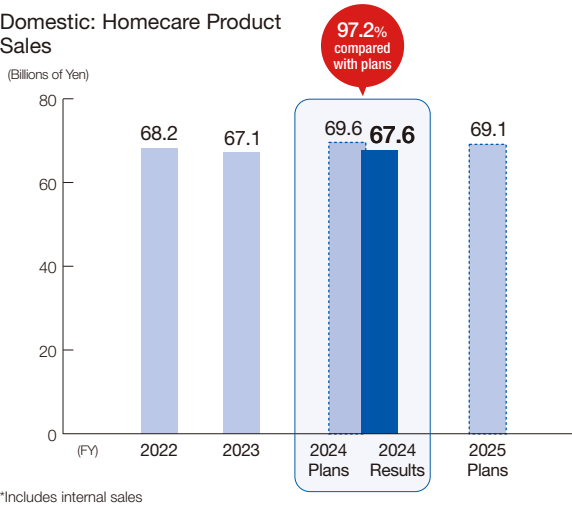


### ● Strategies for and Progress in Achieving the Medium-Term Business Plan

The market expanded due to such factors as high temperatures during the summer, when demand is highest, and the extended sales period due to the lingering summer heat. Sales in the main-stay cockroach, nuisance insect, and insect repellent product categories were strong. In addition, shipments of new products to be launched in 2024 exceeded plans, and the effects of price revisions also contributed to performance. Furthermore, as far as the management issue of reducing returns is concerned, the product return rate decreased from 6.2% in the fiscal year ended December 2023 to 4.8% in the fiscal year ended December 2024.

Going forward, we will work diligently to steadily expand sales by implementing price revisions, particularly for core revenue products such as the Earth No-mat liquid mosquito repellent, and by introducing new products as revenue pillars. Under our Medium-Term Business Plan, we will endeavor to reduce our environmental impact and have adopted a policy of eliminating returns of insecticides & repellents in the future. Utilizing the core system built under the previous Medium-Term Business Plan, we are working to reduce product waste and improve cash flow by strengthening supply and demand adjustment functions. Looking ahead, we will continue to promote improvements in profitability.

Homecare Products

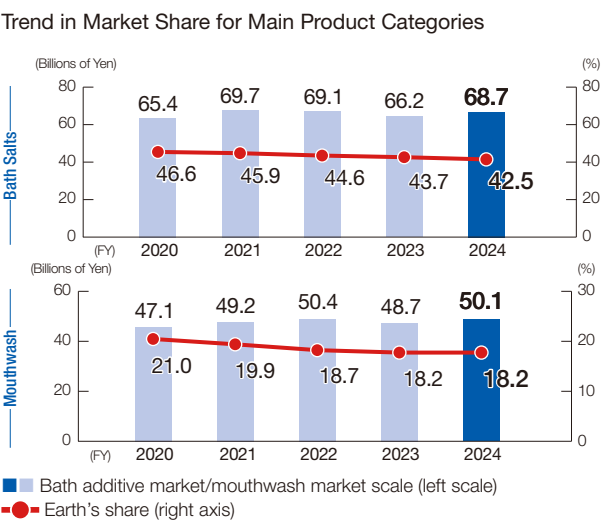


In the Homecare Products segment, we sell products that support people’s healthy and comfortable lives, such as bath salts, oral hygiene products, air fresheners and cleaning products. Utilizing the Company’s mobility and organizational strength, we are promoting the revitalization of the domestic market by developing sales floors and offering a wide variety of products to suit a diverse range of age groups and applications. We promote manufacturing that places a premium on products that blend into everyday life and provide one-step-ahead comfort.

### ● Market Conditions

Having seen a temporary increase in demand due to the COVID-19 pandemic subsequently wind down, the market for bath salts and mouthwash is now showing signs of recovery. This is due to Group companies responding to changes in consumer needs by working to improve the added value of their products. In this environment, our share of the domestic bath salts market in fiscal 2024 was 42.5%,\*2 and our share of the mouthwash market 18.2%.\*3

\*2 INTAGE SRI+ Bath Salts Market Share for 2024 by Total Sales Value  
\*3 INTAGE SRI+ Mouthwash Market Share for 2024 by Total Sales Value



### ● Strategies for and Progress in Achieving the Medium-Term Business Plan

The external environment underwent significant change with cost increases due to soaring raw material prices and a dampening of consumer confidence brought about by rising prices. In contrast, the Company has been actively expanding its categories in response to the sudden changes in consumer behavior caused by the COVID-19 pandemic. However, as brand investments were dispersed, resource allocation was insufficient, and market share declined in bath salts and mouthwash, which are the major categories in the Homecare Products segment. To respond to this situation, we are working on measures such as the selection and concentration of brands and stock keeping units (SKUs) and improving brand value.

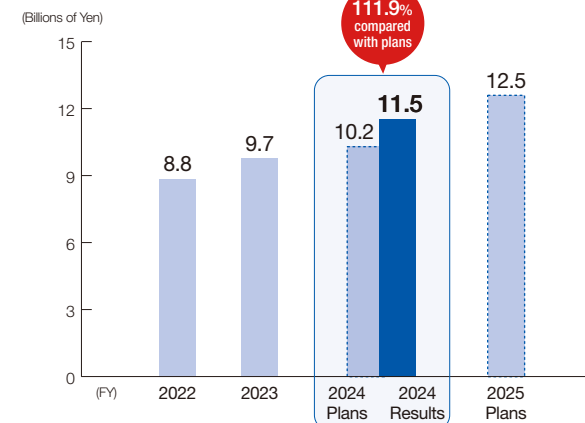
For bath salts, increased advertising spending and a campaign utilizing social media led to increased sales in stores. We are also working on improving profitability by changing the formulations of existing products. In terms of mouthwashes, we have launched Damon as part of the Mondahmin series, which is targeted at younger consumers and has been well received. Going forward, we will work on SKU reductions, including planned products, thereby improving profitability.

## Household Products Business

### Pet Products and Others



Pet Products and Others Sales\*



\* Includes internal sales

Centered on pet products, the other products we sell include the Matching Transformation (MA-T) System® and soft drinks. Earth Pet sells insecticides & repellents, deodorants, premium foods, and other products for pets, with the aim of ensuring enjoyable lifestyles with pets as valuable members of the household. Earth Pet communicates the importance of keeping pets healthy and ways of improving their quality of life while publicizing its products. Furthermore, we have been working to increase awareness of the MA-T System® through such measures as receiving an award from the Minister in Charge of Building National Resilience, exhibiting at the Expo 2025 Osaka, Kansai as the Japan MA-T Industrial Association, and expanding business with partner companies (Special Feature, ▶ p. 42).

### ● Market Conditions

In the pet supplies sector, the cost per pet is on a rising trend due to owners becoming more aware of pet health and improving their living environments. As a result, the pet-related market remains strong.

### ● Strategies for and Progress in Achieving the Medium-Term Business Plan

We have positioned overseas markets with high growth potential as our main growth drivers. To achieve this plan, we are taking steps such as "implementing a growth strategy at each local organization," "building supply chains in line with the medium- to long-term plans of each area," and "expanding talent that supports growth." In Thailand in particular, we have the second largest market share in insecticides & repellents and are aiming to become No. 1 in the near future. To spread the Earth brand throughout the world, we are strengthening our marketing efforts in an effort to establish a unified global brand.

### ● Thailand: Earth (Thailand) Co., Ltd.

Earth (Thailand) Co., Ltd. was established in 1980 as the first local office outside of Japan in the Earth Group. It has built a solid foundation with a community-based business model, broadly covering product development, manufacturing, sales, and logistics. The company has focused on developing the local insecticide & repellent brand OASIS and other products from the "customer's perspective." This local office is working as a unified team in an effort to capture the top share of an insecticide & repellent market outside of Japan for the first time. As it applies the knowledge acquired in Thailand to other countries, this office will play a role as a hub for our global strategy covering countries in Asia and the Middle East.

### ● China: Earth Corporation (Shanghai)

With the aim of expanding sales in China, where the market is exhibiting remarkable growth, Earth Corporation established this local office in 2015. Working with two factory operators in Tianjin and Suzhou, the company conducts sales activities mainly in four large cities: Beijing, Shanghai, Guangzhou, and Shenzhen. Through its major offerings including the ARS brand of insecticides & repellents, it is strengthening sales through physical retailers and working in cooperation with the team in Japan to reach potential customers via e-commerce channels. Similarly, it is engaged in activities with a view to promoting the brand in China.

### ● Vietnam: Earth Corporation Vietnam

Earth Corporation Vietnam was converted to a subsidiary in 2017 from a local office that manufactured and sold household supplies in Vietnam. Leveraging its sales network of 700 members across the country, it has established a seamless delivery system crisscrossing Vietnam, extending over the long distance from north to south, and succeeding where family businesses account

Countries with established local offices of Earth Corporation



for 70% of all retailers. With the mainstay detergent brand Gift as a foundation, the company is working to revitalize the insecticide & repellent market by promoting broad adoption of ARS. Earth Corporation Vietnam is actively investing into the company, potentially making it a manufacturing site for ASEAN and Japan.

### ● Malaysia: EARTH HOME PRODUCTS (MALAYSIA) SDN. BHD.

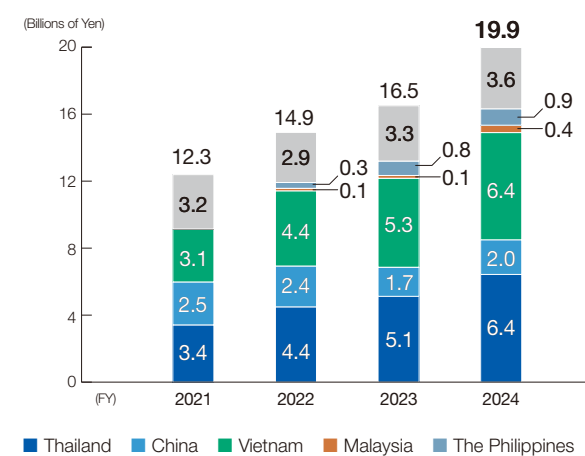
This local office was established in 2019. Due to its warm climate, Malaysia has a strong need for insecticides & repellents to handle the risk of mosquito-borne infectious diseases. And thanks to growing awareness around hygiene and increasing consumer demand coinciding with economic development, EARTH HOME PRODUCTS anticipates the country's growth as a market in which high-value-added products, the forte of Earth Corporation, will make headway.

### ● The Philippines: EARTH HOMECARE PRODUCTS (PHILIPPINES), INC.

This local office began operations in 2022 under its current name following our acquisition of its predecessor company. As with other countries in Asia, the Philippines is a market that is expected to grow into the future as evidenced by annual increases in the need for insecticides & repellents, and household products, and its remarkable population and high economic growth. The company creates synergies by collaborating with factories in Thailand and Vietnam established earlier.

### Overseas Business

Overseas Sales\*



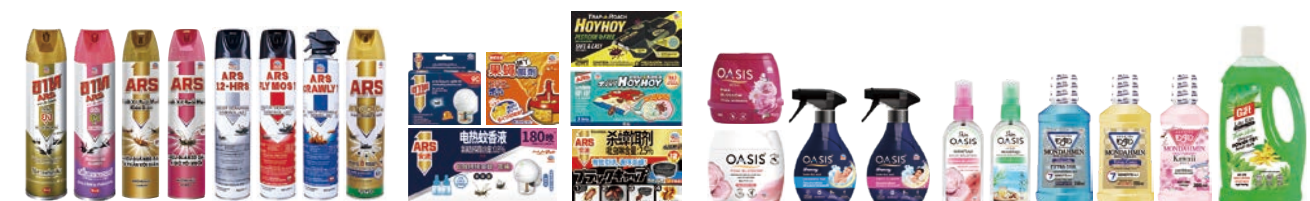
■ Thailand ■ China ■ Vietnam ■ Malaysia ■ The Philippines  
■ Exports and cross-border EC

\* Includes internal sales

Since entering the Thai market in 1980, Earth Corporation has been expanding its overseas business and is currently actively developing its operations through local subsidiaries in Thailand, China, Vietnam, Malaysia, and the Philippines. We are strengthening our area strategies, promoting sales, profit, and market share expansion in Thailand and Vietnam, while aiming to expand sales channels in Malaysia and the Philippines. In China, we are revising our business strategies, and introducing products in a focused manner to retailers that operate physical stores. Moreover, we export products to roughly 40 countries and regions throughout the world, have built close partnerships with local distributors, and identified needs based on the different living habits and preferences of each country in an effort to enhance the presence of the Earth brand.

As the scale of overseas sales expands, we are establishing a production and supply network from the perspective of overall optimization in conjunction with the Medium-Term Business Plan for each area. This move will serve to establish seamless product supply chains and greater profits.

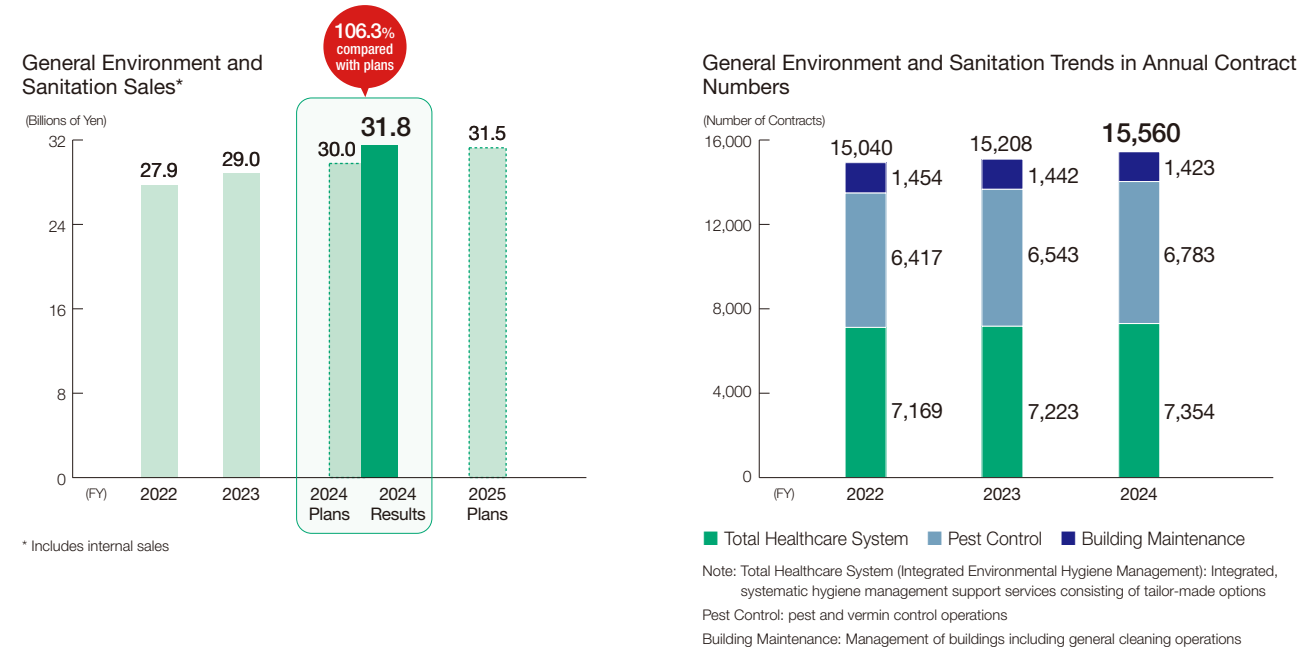
We must also strengthen human assets for the shift to global expansion. We will therefore emphasize efforts to construct a system that allows employees to acquire experience in overseas markets at an early stage, and to secure human assets in a way that also includes local hiring.



A portion of the insecticides and repellents, and household products sold overseas

## General Environment and Sanitation Business

As part of our General Environment and Sanitation Business, we provide the food, pharmaceuticals, healthcare, containers, packaging, logistics, warehousing, and other industries with services ranging from consulting to on-site implementation. These services are based on science-based investigations and specialized knowledge, and seek to prevent contamination involving microbes, insects, and other foreign substances, as well as to maintain and improve the optimal hygienic environment. In this way, we contribute to the health of people as well as safe and secure lifestyles by supporting quality assurance activities at worksites throughout the supply chain.



### Main Services

- Various environmental monitoring
- Inspection and identification of microorganisms, foreign matter
- Pest control, microbial contamination control
- Sanitation, special cleaning
- Quality assurance system development, support for acquisition of standards certification, conformity audits
- Training services and other human resource development
- Plant design and construction support, hardware installation, building maintenance
- IoT system development
- Product sales

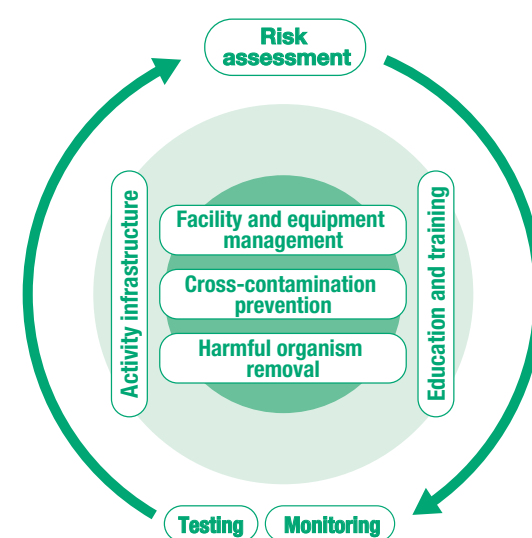
### ● What Is Integrated Environmental Hygiene Management?

The Integrated Environmental Hygiene Management Service: Total Health Care System is a support service for hygiene management offered by Earth Environmental Service Co., Ltd. In combination with QMS, FSMS, PQS,\* and various other management systems, this service consists of Eight Approaches based on technologies and expertise uniquely acquired by the Company. This service includes the three elements of a “field-oriented policy, scientific basis, reproducibility” as the foundation for continuously engaging in hygiene management in an effective manner, and provides support for integrated, systematic hygiene management that consists of a tailored-made combination of the Eight Approaches in a way that suits the demands and goals of the customer.

Moreover, the ESCOEVO centralized information management system developed by the company rapidly analyzes, visualizes, and shares the massive amount of data required for hygiene management, including on-site diagnostic results and improvement status, to enhance the outcomes of improvement activities.

\*1 QMS, FSMS, PQS: Quality Management System, Food Safety Management System, Pharmaceutical Quality System

### Eight Approaches



Site survey

### ● Support by Environmental Doctors

Our staff who have acquired knowledge and skills through a proprietary education and training program, and who have built up extensive experience at various worksites, serve as Environmental Doctors who provide services based on the latest knowledge regarding hygiene management and high-level technical capabilities. Staff diagnose the quality of hygiene management at customer worksites, identify problematic areas, prescribe improvement measures, and offer support for maintaining and improving the safety and security of environments while providing treatment and implementing preventative measures.

### ● Market Conditions

Demand for the Company's quality hygiene management services remained high driven by the trend toward the international harmonization of safety standards for food, pharmaceuticals and healthcare, revisions of relevant laws and regulations in Japan, and incidents of contamination by foreign substances. While increased capital investment in the manufacturing sector and a recovery in costs related to hygiene provided a tailwind, labor costs and material and equipment prices surged at an accelerated pace due to the deterioration of global conditions.

### ● Strategies for and Progress in Achieving the Medium-Term Business Plan

In order to deliver differentiated hygiene management services, efforts are being made to enhance employee training programs at the Skill Development Center, and working to improve basic management skills. Moreover, in fiscal 2024, we ramped up our investment activities in a bid to strengthen our expertise and technological development capabilities, and worked to maintain and expand contracts while securing an appropriate level of profit. In particular, in the cleaning operations of production lines at food plants, we have ensured appropriate profits while giving full consideration to safety. Under the JFS conformity certification, the number of audit items has increased, and the Company has been registered as the first designated audit entity under the new JFS-B Plus standard.

In the R&D domain, we relocated and consolidated the Analysis Center East Japan Laboratory in Chiba, Chiba Prefecture, and expanded our testing facilities for the life science field. For new products, we have launched “Pescle Insects”<sup>\*\*2</sup>—an AI-powered monitoring system for insects—as part of the “Pescle”<sup>\*\*3</sup> series.

<sup>\*\*2</sup> Pescle Insects: The second product from the Pescle series. This system automatically counts the number of flying insects captured and visualizes trends on an hourly basis.

<sup>\*\*3</sup> Pescle: A cloud-based, real-time small animal remote monitoring system that utilizes AI and IoT technologies.



View of a Microbe Inspection

### Voice

#### Environmental Doctors Go Beyond Protecting the Hygienic Environment of Worksites to Ensure Comfortable Lifestyles for Consumers

Environmental Doctors of Earth Environmental Service Co., Ltd. engage in activities that maintain and improve upon ideal hygienic environments in order to prevent contamination by foreign substances, for example, in various industries and businesses. Based on the latest information regarding hygiene management and on their high-level of technical expertise, our Environmental Doctors unerringly comprehend the problems faced by customers, and support them in finding fundamental solutions to these.

In specific terms, they regularly visit the worksites of customers, monitor the hygienic environment, identify problematic areas, propose improvement and preventative measures, and verify that these are implemented along with the degree of improvement. These improvement and preventative measures range broadly, from creating the necessary infrastructure to managing facilities and equipment, eliminating pests, and running training programs and drills.

As a countermeasure for the chironomid midge infestation that occurred during Expo 2025 Osaka, Kansai, our Environmental Doctors investigated the site along with Earth Corporation, and offered advice on countermeasure planning. This cooperative effort between Earth Corporation as a manufacturer and our Environmental Doctors as on-site professionals showed me the significant potential of the Earth Group, particularly regarding its ability to rapidly provide solutions in a wide range of fields.

As Environmental Doctors, our staff will continue to ensure comfortable lifestyles for consumers, and aim to contribute to solutions for the environmental problems faced by society and communities, and in turn the globe.



Hiromi Isoyama

Senior Executive Officer and Associate Director of the Sales Headquarters, Earth Environmental Service

The MA-T System® (MA-T®) is a technology for which Earth Corporation holds the basic patents, and functions to solve the issues society faces in a broad range of fields, from disinfectants and deodorants to food hygiene, agriculture, healthcare, surface oxidation, energy, and beyond. In addition to helping prepare for the next potential pandemic, this technology can also contribute significantly to realizing a sustainable society and carbon neutrality. Earth Corporation believes this technology holds the potential to achieve our evolution into a company that solves the issues faced by society as we work to transform our social significance and portfolio, which is why we are committed to joint research with Osaka University.

## Overview of the MA-T System® and Its Fields of Application

The MA-T System®, an acronym for Matching Transformation System®, is an oxidation control system based on an innovative technology developed in Japan. Given its ability to control the strength of hypochlorite radical activation, this technology can be used in a wide range of fields, including infectious disease countermeasures, environmental impact reduction, and carbon neutrality measures.

MA-T® can potentially be deployed in the following six fields. In the disinfectants and deodorants field, for example, using MA-T® can balance the degree of sterilization strength and safety, allowing for its increasing use in disinfection applications and in oral

care for pets. In the field of surface oxidation, it is seeing increasing real-world application as a technology that enables plastics and metals to be tightly bonded without the use of adhesives, yet cleanly peeled apart again. In the energy field, MA-T® is being used to develop a technology that can produce methanol under normal pressure and temperature conditions without using a significant amount of energy, contrasting greatly with the high energy inputs of several hundred degrees in temperature and several hundred atmospheres in pressure currently required to convert the methane gas generated from cow manure into methanol.

## Earth Corporation Initiatives Leveraging a License Platform

Although Earth Corporation owns the patents for MA-T®, what we can do with this technology on our own is limited. We are therefore working to spread the use of MA-T® through open innovation, and established the Japan MA-T Industrial Association in 2020 for the purpose of building a MA-T® application platform. Currently, a total of 112 leading companies and supporting organizations in each field (as of April 30, 2025) have joined the Japan MA-T Industrial Association. Through industry-government-academia collaboration, its members are working together with the aim of expanding the MA-T® framework into the automotive industry, healthcare, agricultural, and a host of other business fields.

The Industrial Association has built a license platform in order to

promote the real-world implementation of MA-T®, and has begun administering this platform as a mechanism for supporting the business activities of its member corporations. Already employed by many of the member corporations, this platform is helping to spread and advance the use of MA-T®, which we expect will lead to greater technological innovation.

Through these efforts by the Industrial Association, Earth Corporation is expanding the real-world implementation of MA-T®, and is collaborating with companies in various fields in an effort to grow businesses that leverage it. Although progress varies by field, we are simultaneously advancing initiatives in parallel toward accelerating real-world implementation.

### Development Progress by Field and Profitability Status for Earth Corporation

| Enabling a wide range of applications through the control of activation strength |                                                                                                                      |                                                                                                                          |                                                                                                                  |                                                                                           |                                                                                                                                         |                                                                                                                    |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Weak → Strong                                                                    |                                                                                                                      |                                                                                                                          |                                                                                                                  |                                                                                           |                                                                                                                                         |                                                                                                                    |
|                                                                                  | Disinfectants / Deodorants                                                                                           | Food hygiene                                                                                                             | Agriculture/Forestry                                                                                             | Healthcare                                                                                | Surface oxidation                                                                                                                       | Energy                                                                                                             |
| Progress Status                                                                  | <ul style="list-style-type: none"> <li>Sterilizing bacteria / viruses</li> <li>Decomposing odor compounds</li> </ul> | <ul style="list-style-type: none"> <li>Disinfecting food / tableware</li> <li>Hygiene management at factories</li> </ul> | <ul style="list-style-type: none"> <li>Sterilizing spore-forming bacteria</li> <li>Disinfecting seeds</li> </ul> | <ul style="list-style-type: none"> <li>Treating infectious dermatitis / cancer</li> </ul> | <ul style="list-style-type: none"> <li>Modifying polymer surfaces</li> <li>Functionalizing (hydrophilization / adhesiveness)</li> </ul> | <ul style="list-style-type: none"> <li>Producing formic acid and methanol from methane (carbon neutral)</li> </ul> |
| Earth Corporation Earnings                                                       | Earth product sales<br>OEM manufacturing                                                                             | Earth product sales<br>OEM manufacturing                                                                                 | —                                                                                                                | License earnings                                                                          | License earnings                                                                                                                        | License earnings                                                                                                   |

## Real-world MA-T System® Implementation Examples

### ● Anicom Group × Earth Corporation



This effort seeks to prevent disease using MA-T®. Through the use of “MA-T® Oral Care Gel for Pets,” this example aims to achieve preventative care, and bring further health benefits to all life by deploying this knowledge to human healthcare.

#### Business Concept

- OEM product sales to Anicom Group (MA-T® Oral Care Gel for Pets)



#### Anicom Group Features

- Holds the No. 1 share of the pet insurance market
- Possesses the world's most extensive data and knowledge on pets
- Employs approximately 100 veterinarians

### ● YAMASHITA, LTD. × ATAM Giken Co., Ltd. × Earth Corporation



Using MA-T® for rinsing eliminates the hydroperoxide-based disinfectant and drain steps. This shortens washing times and improves the washing performance when using a single machine. This approach can also help reduce product waste by employing a very safe liquid solution that prevents mattress deterioration.

#### Business Concept

- MA-T® liquid solution sales to YAMASHITA, LTD.



#### YAMASHITA, LTD., Features

- All sales representatives are nursing care equipment specialists with a high level of expertise
- Offers one of the industry's most extensive lineups with more than 1,000 items

#### ATAM Giken Co., Ltd., Features

- Holds the top share of the mattress washing equipment market in Japan (approx. 60%)
- Successfully automates washing processes for the nursing care industry, which faces labor shortages

## Example of an Award Won for the MA-T System® (Award from the Minister in Charge of Building National Resilience at the 2025 Japan Resilience Award)

The collaborative initiative between MA-T®, for which Earth Corporation is promoting real-world implementation, and the “switle BODY” body washing system, developed by SIRIUS Co., Ltd., received the Award from Japan's Minister in Charge of Building National Resilience at the 2025 Japan Resilience Award.\* This award was in recognition of its contribution to building a resilient society, and for charting collaboration between a research institute, social welfare corporation, and private company for the purpose of preventing infectious diseases and secondary infections at welfare emergency shelters. By combining use of “switle BODY” and MA-T®, this initiative is expected to go beyond simply maintaining skin hygiene through its high disinfectant and deodorization

effect, and improve the hygiene management of the inside of the equipment itself. Combined use enables the body to be washed without getting any bedding wet even in emergency shelters, and serves to lessen the burden of nursing care and protect privacy.



The “switle BODY” body washing system utilizing the MA-T System®

\* Japan Resilience Award: Organization sponsored by the Association for Resilience Japan aiming to celebrate corporations and associations which contribute to the strength and agility of Japan, its regions and its people

About the Award from Japan's Minister in Charge of Building National Resilience (Cabinet Secretariat website) (in Japanese)

[https://www.cas.go.jp/jp/seisaku/kokudo\\_kyoujinka/award/index.html](https://www.cas.go.jp/jp/seisaku/kokudo_kyoujinka/award/index.html)

### Exhibit at the Osaka Healthcare Pavilion's Healthcare in the Future Zone at Expo 2025 Osaka, Kansai, Japan

Established and led by Earth Corporation, the Japan MA-T Industrial Association exhibited at the Osaka Healthcare Pavilion's Healthcare in the Future zone at Expo 2025 Osaka, Kansai, Japan. The MA-T® booth offered exhibits that allowed visitors to experience a glimpse of the oral care of the future along with the “MA-T® SHOWER GATE” system, which also uses MA-T®. The concept of this exhibit was to enable visitors to experience how oral care and environmental care will change in the future as MA-T® comes into real-world use. The Industrial Association will continue its efforts to introduce MA-T® technology to the world on the occasion of the Expo.



The MA-T® booth

# Providing Products and Services That Contribute to Safe and Comfortable Living

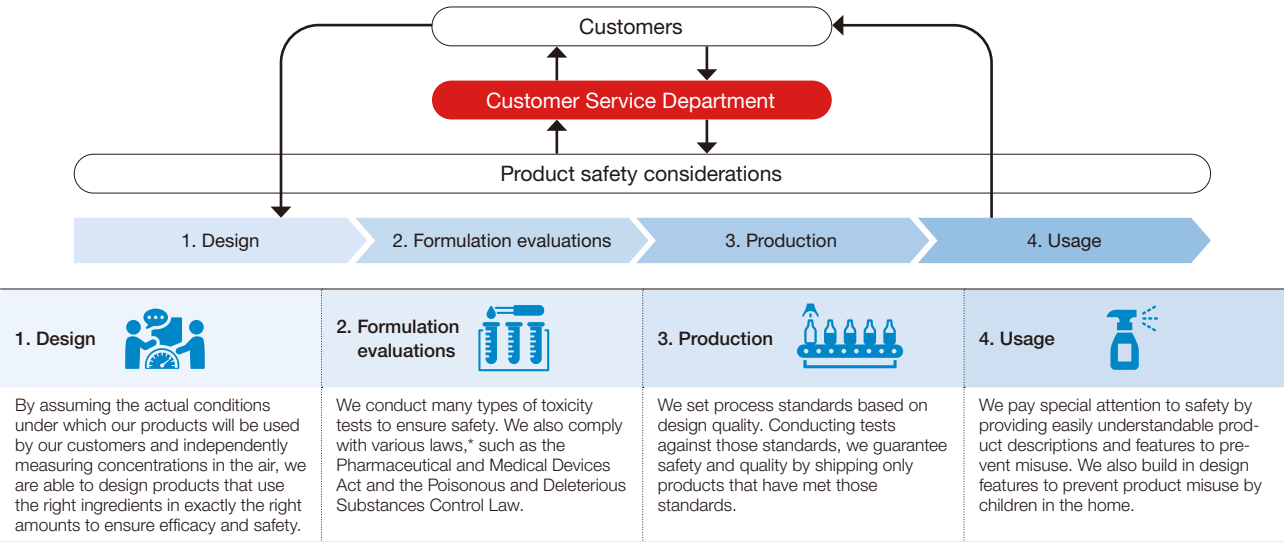
For Earth Corporation, our most important responsibility to society is to continue providing high-quality, safe and reliable products and services from the customer’s perspective. We recognize that the steady fulfillment of this social responsibility is a precondition for safeguarding and enhancing corporate value, and constitutes the foundation for our creation of corporate value.

| Materiality (Key Issues)                                                       | Key Topics and Main Measures                                                                                                                                                                                                  | Targets and KPIs                                                                                   | FY2024 Results |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------|
| Providing products and services that contribute to safe and comfortable living | ● Reduce the number of major quality incidents that negatively impact customer satisfaction and trust to zero by raising the periodic quality inspection implementation rate both at own plants and at contractors’ factories | <b>Periodic quality inspection implementation rate:</b><br>Maintain at 100% (2023, 2026, and 2030) | 100%           |
|                                                                                | ● Ensure compliance with relevant laws and reduce the incidence of major violations to zero by enhancing the implementation rate for the annual education and training plan                                                   | <b>Education and training implementation rate:</b><br>Maintain at 100% (2023, 2026, and 2030)      | 100%           |

## Basic Approach and Promotion Framework

In line with its Corporate Philosophy, Earth Corporation strives to provide customers with safe, reliable products and services at every stage of the value chain, including product development, materials procurement, production, logistics, and sales. Besides naturally maintaining compliance with all legal

requirements, we create new value by providing safe and secure products and services from the customer’s perspective. Based on our unique Quality Management System approach, we gather information on quality from each country and region as we work to enhance the quality of our products.



\* Pharmaceutical and Medical Devices Act (formerly the Pharmaceutical Affairs Act), Poisonous and Deleterious Substances Control Act, Chemical Substances Control Law, Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act), High Pressure Gas Safety Act, etc.

## Quality Assurance and Enhancements

Raw materials are evaluated based on appropriate testing items and methods. Products are also subjected to testing in accordance with legally required test items and product functions. A variety of inspection and analysis equipment is used in the testing process. We are, however, aiming to automate the processing work, which involves the simultaneous handling of large quantities of test samples with organic solvents and reagents, with the aim of improving the reliability of the tests and work efficiency as well as ensuring the safety of testing personnel. As one example, we are in direct communication with external equipment manufacturers for samples to measure the content of active ingredients in our ONPO bath salts. We also design, manufacture, and

operate proprietary automated processing equipment in line with our testing needs, thereby helping to reduce the amount of organic solvents used during testing and the waste generated. As far as plant hygiene management is concerned, we implement insect and rodent control measures utilizing Group company Earth Environmental Service Co., Ltd’s know-how. In addition to the wearing of net hats and the use of adhesive sheets, use is made of visual inspections, camera inspection systems, metal detectors and other means to check for foreign objects on production lines. We are also redoubling our efforts to improve quality by having plants and quality assurance departments work together through, for example, quality control (QC) study sessions and quality audit report meetings.

- 📶 Providing Products and Services that Contribute to Safe and Comfortable Living

📶 Initiatives adopted from the customer’s perspective (in Japanese)
- [https://corp.earth.jp/jp/sustainability/society/service\\_provision/index.html](https://corp.earth.jp/jp/sustainability/society/service_provision/index.html)

[https://corp.earth.jp/jp/sustainability/society/service\\_provision/customer/index.html](https://corp.earth.jp/jp/sustainability/society/service_provision/customer/index.html)

## Adhering Strictly to the Customer’s Perspective Utilizing Customer Feedback

The Customer Service Department serves as a point of contact to build relationships with end-user customers. The approximately 90,000 inquiries handled each year provide important pointers for development and improvement, and we are promoting the use of text mining systems so that the relevant departments can investigate and utilize them. We may also publish information in in-house newsletters and on the intranet, and at meetings such as the Customer Insights Discussion Meeting\* the Customer Service Department may directly approach the relevant departments to propose and implement improvement ideas. The customer insight that the Customer Service Department sends out leads to employees becoming more aware of “the customer’s perspective” from a variety of standpoints, thereby making significant contributions toward “creating a market with customers.”

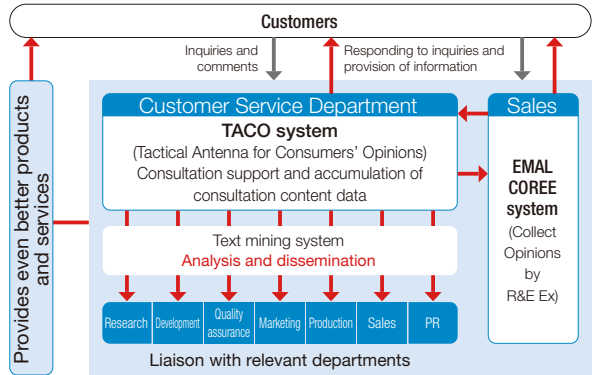
\* This is a meeting attended by senior managers, the holding of which is recommended by the Association of Consumer Affairs Professionals.

### Platforms to Leverage Customer Insights

Earth Corporation has developed its own unique response system, the TACO System,\* to promptly and courteously respond to

consultations and ideas offered from customers. This database accumulates data on consultation details collected from customers and retailers by the COREE System, through which Customer Service Department employees and EMAL\* register information. On the basis of this registered and aggregated data, we disseminate information to the relevant departments, thereby assisting in providing better products and services from the customer’s perspective.

\* Please refer to the Glossary on P. 68



## Providing Safety and Security to Our Customers

### Developing insecticide-free products that help contribute to a safe and secure society

Launched in August 2021, Earth Lice Removing Lotion is the first new lice control product approved in Japan in 40 years. In Okinawa, head lice have been a serious problem, with many children suffering for a long time. Most head lice are resistant to insecticides (chemicals are ineffective against them) and cannot be eradicated with conventional lice shampoos, so customers and doctors had been calling for a product that is effective even against resistant head lice.

Insecticide-free lice control products have been developed and used in the United States and Europe to combat head lice that are resistant to pyrethroid insecticides. Focusing on the active ingredient dimethicone, we developed Earth Lice Removing Lotion, which combines excellent extermination effects with safety and ease of use without stickiness. We will continue to develop products that are safe, secure, and of benefit to society.



## Resolving Social Issues and Collaborating with Local Communities to Contribute to Safe and Comfortable Lifestyles

### Promotion of insect-borne infection control

The number of people affected by severe fever with thrombocytopenia syndrome (SFTS), an infectious disease which is spread by ticks, is on the rise throughout Japan, and there is growing concern about infectious diseases transmitted by mosquitoes and other disease-carrying insects. Earth Corporation is actively working to utilize its knowledge, technology, and products to combat infectious diseases that can be transmitted by insects, such as malaria and dengue fever. As part of insect bite prevention awareness-raising activities, we set up “Mosquito Repellent Spots” at venues for outdoor gatherings and sporting events and make proposals for their prevention through the effective use of insect repellents. We also give lectures on various dangerous insects at science museums and other facilities, aiming to protect the health of local children and contribute to safe and secure lifestyles.

### Resolving Local Issues Through Comprehensive Alliance Agreements

We have entered into comprehensive alliance agreements with local governments to help resolve a wide range of local issues—including health and hygiene, welfare, the environment, disaster preparedness, and urban development—by providing know-how and the latest technology on, for example, insect-borne infectious disease countermeasures and oral hygiene as well as sterilization and deodorization. Currently (as of January 2025), we have signed partnership agreements with 19 local governments.

- 📶 Initiatives to provide protection from danger (in Japanese)

[https://corp.earth.jp/jp/sustainability/society/service\\_provision/protect/index.html](https://corp.earth.jp/jp/sustainability/society/service_provision/protect/index.html)

# Responding to Climate Change

We are responding to the most serious environmental problems worldwide, including increases in average temperatures and the intensification of extreme weather events due to climate change. These issues could have a medium- to long-term impact on the continuation and expansion of the Company’s business as well as on its overall value chain. We recognize that addressing climate change is a management issue that will affect our corporate value over the medium to long term.

| Materiality (Key Issues)     | Key Topics and Main Measures                                  | Targets and KPI                                                                                                                                                                                                                                                                                                     | FY2024 Results |
|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Responding to climate change | • Reduce CO <sub>2</sub> emissions                            | <b>Reduce CO<sub>2</sub> emissions:</b><br>Compared to 2020 (Scope 1, 2) <ul style="list-style-type: none"><li>• 14% reduction (2023)</li><li>• 28% reduction (2026)</li><li>• 46% reduction (2030)</li></ul>                                                                                                       | 33.9%          |
|                              | • Promote a transition to renewable energy for electric power | <b>Transition to renewable energy:</b> <ul style="list-style-type: none"><li>• Renewable energy at plants (renewable energy rate: 60%) (2023)</li><li>• Renewable energy at R&amp;D Center (renewable energy rate: 90%) (2026)</li><li>• Renewable energy at offices* (renewable energy rate: 95%) (2030)</li></ul> | 66.7%          |

\* Excluding tenant offices

## Basic Approach and Promotion Framework

As an enterprise whose Corporate Philosophy is “We act to live in harmony with the Earth,” we carry out our business activities in accordance with the global environment.  
We established the CSR & Sustainability Promotion Committee

to discuss the creation of policies and strategies, and the establishment of targets and indicators for responding to climate change. The content of the Committee’s discussions and the status of its activities are reported regularly to senior management.

## Information Disclosure Based on TCFD Recommendations

Climate change represents a risk for Earth Corporation but at the same time is also an important management issue that could lead to new profit opportunities. Believing that constructively and actively addressing climate change will lead to increased corporate value over the medium to long term, we aim to work appropriately with stakeholders to benefit society as a whole. Having recognized the importance of disclosing financial information relating to climate change, we expressed our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2022 and are disclosing climate change-related information in line with the TCFD framework.



### Governance

The Representative Director, President & CEO reports on important climate change-related issues to the Board of Directors, which takes climate change-related issues into consideration

when reviewing and issuing instructions on the Company’s strategies, business plans, risk management policies, etc., after consultation with the Corporate Governance Committee.

### Risk Management

In formulating response methods and priorities for identified climate change-related risks and opportunities, the CSR & Sustainability Promotion Department works with the relevant departments to consider responses such as mitigation, transfer, acceptance, and control. The results of this review are then reported by the Corporate Planning Headquarters to the Representative Director, President & CEO, who then makes the final decision on necessary countermeasures at Board of Directors’ meetings.

### Indicators and Targets

To reduce greenhouse gas emissions related to climate change, we have set the following targets for CO<sub>2</sub> emissions (Scope 1 and 2) and renewable energy ratios for 2030.

#### Indicators and Targets

|          | Indicator                                             | Target                             | Target Year | FY2024 Results |
|----------|-------------------------------------------------------|------------------------------------|-------------|----------------|
| Target 1 | Scope 1 and 2 emissions (from energy-related sources) | Compared with FY2020: 46% decrease | 2030        | 33.9%          |
| Target 2 | Renewable energy ratio                                | 95% of total electricity usage     | 2030        | 66.7%          |

Risks and Opportunities, Financial Impact (major factors that could have a “significant” level of impact on our business and responses)

| Category    | Scenario | Content                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Indicator                            | Period of impact                                                                                                                       | Responses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opportunity | 4°C      | <b>Rising temperatures</b><br>Increased demand for insecticides, the Company’s main business, and an expansion in market size associated with longer sales periods.<br><br><b>Rising temperatures</b><br>If an infectious disease caused by an increase in germs or bacteria becomes serious in an area where public health is not well maintained, products using our MA-T System® technology can be effective in eliminating the risk of infectious diseases. | Sales increase<br><br>Sales increase | <div>Short term</div> <div>Medium term</div> <div>Long term</div><br><div>Short term</div> <div>Medium term</div> <div>Long term</div> | <b>Insecticides &amp; Repellents</b><br>(Activities) <ul style="list-style-type: none"><li>• Establish an appropriate inventory management system that reduces lost sales opportunities and improves capital efficiency</li><li>• Advance development of new suppliers both domestically and internationally to ensure stable procurement of raw materials and packaging materials, establish multiple purchasing system</li></ul> <b>MA-T System®-applicable products</b> <ul style="list-style-type: none"><li>• In Japan, promote social implementation while working to raise brand and product recognition in the sterilization market</li></ul>                                                                                      |
|             | 1.5°C    | <b>Consumer awareness of decarbonization</b><br>As our products become more widely recognized as an environmentally friendly and sustainable brand, our brand value will increase and sales will grow.                                                                                                                                                                                                                                                          | Sales increase                       | <div>Short term</div> <div>Medium term</div> <div>Long term</div>                                                                      | <b>Through the following activities, increase of our brand value as an environmentally friendly and sustainable company</b><br>(Activities) <ul style="list-style-type: none"><li>• Support the circular economy</li><li>• Accelerate procurement of sustainable plant-based and other raw materials</li><li>• Transition to reusable or recyclable containers to reduce CO<sub>2</sub> emissions</li><li>• Promote initiatives designed to reduce water footprint</li></ul> <b>Plastics</b> <ul style="list-style-type: none"><li>• Reduce the amount of plastic used per product, such as containers and packaging materials</li><li>• Consider recycling plastics such as product bottles as part of supply chain initiatives</li></ul> |
| Risk        |          | <b>Palm oil supply and demand balance</b><br>Increased cost of sales due to rising prices of palm oil-derived raw materials and supply shortages of our products due to raw material shortages.                                                                                                                                                                                                                                                                 | Sales decrease<br>Cost increase      | <div>Short term</div> <div>Medium term</div> <div>Long term</div>                                                                      | <ul style="list-style-type: none"><li>• To ensure stable procurement of palm oil-derived raw materials, implement planned purchases of raw materials where supply and demand are expected to be tight and advance the development of suppliers both domestically and internationally while adopting a multiple purchasing system</li><li>• Examine R&amp;D and formula changes to reduce the amount of palm oil-derived raw materials used and to find alternative raw materials that meet quality standards</li></ul>                                                                                                                                                                                                                     |

(Our assumptions for scenario analysis) Subject of analysis: Earth Corporation, non-consolidated  
Scope of analysis: Entire supply chain, including raw material procurement  
Time periods: Short term = 1 year (same period as single-year plan); Medium term = 3 years (same period as medium-term management plan); Long term = 2030 (same period as in Japan’s medium-term NDC target)

For more details, please visit our corporate website to learn more about our scenario analysis (in Japanese).

<https://corp.earth.jp/jp/sustainability/materiality-climate-change/tcf/index.html>

## Third-Party Verification

We understand how important it is to calculate greenhouse gas (GHG) emissions across the entire supply chain for the Earth Group to work toward achieving carbon neutrality in society. We calculate GHG emissions (Scope 1, 2, and 3) for the entire Earth Group and also seek third-party verification to ensure accuracy. Going forward, we will increase our response to climate change, calculate our carbon footprint, disclose the Earth Group’s GHG emissions and take measures to reduce emissions.



## Working Toward Carbon Neutrality

In order to achieve carbon neutrality in society, the Company is working toward carbon neutrality by 2050. To that end, we are implementing various initiatives in our daily business activities that include engaging in energy-saving activities by introducing an

electricity visualization system, reducing CO<sub>2</sub> emissions throughout the supply chain, and raising the awareness of each employee to ensure further CO<sub>2</sub> emission reduction.

## Concern for Issues Affecting the Global Environment

Concern for issues affecting the global environment throughout the value chain is a challenge directly related to the sustainability of Earth Corporation. We recognize that our efforts to effectively utilize resources and reduce waste not only lower business risks at every stage—from raw material procurement to product design, production, use, and disposal—but also help enhance corporate value.

| Materiality (Key Issues)                   | Key Topics and Main Measures                                                                | Targets and KPIs                                                                                                                                                                                                                                                                                                                                                                           | FY2024 Results                                 |
|--------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Attention to global environmental problems | • Increase the efficiency of water usage in relation to production (from R&D to production) | <b>Increase water usage efficiency:</b><br>Compared to 2020 <ul style="list-style-type: none"><li>• 3% increase (2023)</li><li>• 6% increase (2026)</li><li>• 10% increase (2030)</li></ul>                                                                                                                                                                                                | 0.6% increase                                  |
|                                            | • Use resources effectively, striving for a recycling oriented society                      | <b>Zero emission of industrial waste and other materials from plants and R&amp;D Center (final disposal rate less than 1%)</b> <ul style="list-style-type: none"><li>• Investigate and review status at waste treatment subcontractors (2023)</li><li>• Zero emissions at plants and R&amp;D Center (2026)</li><li>• Continue zero emissions at plants and R&amp;D Center (2030)</li></ul> | Final disposal rate: 1.1%                      |
|                                            | • Stipulate Earth ECO Standards, and expand the scope of environmentally friendly products  | <ul style="list-style-type: none"><li>• Establish Earth ECO Standards (2023)</li><li>• Expand the scope of products compatible with Earth ECO standards and promote information disclosure (2026 and 2030)</li></ul>                                                                                                                                                                       | Currently taking steps to disclose information |

### Basic Approach and Promotion Framework

Earth Corporation regards environmental issues as challenges that directly affect not only its business but also the sustainability of the Earth. We declare that we will contribute to people's lives by taking into account efforts to conserve the global environment across all of our business activities.

In line with Earth Corporation Basic Environmental Policy, we

are working to reduce environmental impact throughout the value chain and have established Earth ECO Standards to expand the scope of environment-friendly products. In addition, all of our domestic worksites are certified under Eco-Action 21, an environmental management system formulated by Japan's Ministry of the Environment.

### Reduction of Water Usage and Recycling

For wastewater generated at our main production bases, the Ako Plant and Sakoshi Plant, and the wastewater discharged by adjacent research facilities, we have established and are working to adhere strictly to voluntary standards that are even stricter than the those stipulated by laws and regulations. Considering the connection people have with water, Earth Corporation is a member of the Water Project launched by Japan's Ministry of the Environment, which aims to realize sustainable local communities through the utilization and conservation of favorable water environments in cooperation with various actors in industry, government, academia, and the private sector. We are also a member of CLOMA, which aims to solve the problem of plastics in the ocean.

#### Water Usage Volumes

| Water Usage Volumes | Facility Name                            | Target Range | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------------|------------------------------------------|--------------|--------|--------|--------|--------|--------|
| Clean water         | Plants, research facilities, Head Office | 1,000 m³     | 103.4  | 97.5   | 101.6  | 98.0   | 123.2  |

### Targeting Waste Reduction and a Recycling-Oriented Society

#### Promoting Recycling

Historically, Earth Corporation disposed of all products with the exception of those that could be re-shipped. In order to reduce waste, however, we have adopted a method of compressing and compacting the same types of waste to facilitate collection as

valuable resources. For example, four pallets of mosquito repellent incense cans are compressed into one block and collected as valuable resources. This in turn helps reduce the volume of waste, thereby curbing CO<sub>2</sub> emissions during transportation.

- Effective use of water and reduction of its use
- Resource recycling / waste
- Sustainable product development (in Japanese)

<https://corp.earth.jp/jp/sustainability/environment/water/index.html>

<https://corp.earth.jp/jp/sustainability/environment/discard/index.html>

<https://corp.earth.jp/jp/sustainability/environment/sustainable/index.html>

#### Materials Recycling (Solid Fuel Conversion)

To date, Earth Corporation disposed of products made from plastic bottles, including the liquids contained within them. Now, however, we collect the liquid and process it as waste, while

crushing plastic bottles and caps for use as raw materials in solid fuel generation. In 2024, the equivalent of 70.19 tons of these recycled materials were utilized.

### Reduce Environmental Impact Throughout the Value Chain

#### Cross-Sectional Project Teams Research Environmentally Friendly Materials

Earth Corporation's R&D Headquarters has formed a project team to work on environmentally conscious packaging materials. This team gathers information on packaging materials, for which technology is advancing daily, and evaluates prototypes. Bringing together members of several research teams, including those involved in insecticides & repellents, bath salts, oral hygiene products, and overseas products, this team serves as a regular forum for sharing information and developing new products.

#### Environmentally Friendly Product Development

Responding to customers heightened environmental awareness in recent years, we have been developing products with the aim of reducing environmental impact from the perspective of the 3Rs (Reduce, Reuse, Recycle). From a reduction perspective, 82 items were identified, resulting in a reduction of approximately 318 tons



compared with the previous level of plastic consumption. In addition, we reduced the amount of plastic used by approximately 443 tons by increasing the number of refillable products. There are now 97 items that use recycled plastic, reducing plastic consumption by approximately 802 tons per year. Moreover, we promote the use of recycled paper (fiscal 2024 results).

#### Formulating Earth ECO Standards

With the aim of establishing measures that help to create a sustainable environment, we have formulated the Earth ECO Standards, our own unique environmental standards to promote the creation of environmentally friendly products. The Earth ECO Standards are designed to help achieve the six goals out of 17 SDGs that relate to the environment or manufacturing. Products that conform to the Earth ECO Standards bear the Act For ECO Mark, indicating that they are environmentally friendly. Products that bear this mark include large pouches of Mondahmin Mouthwash Premium Care and Mamoroom.

<https://corp.earth.jp/en/sustainability/materiality-environmental-issue/eco/index.html>

### Biodiversity Conservation

In order to realize nature positivity (nature revitalization) and promote efforts to maintain, restore, and create biodiversity, Earth Corporation has formulated a biodiversity policy under its Environmental Policy. Based on international trends toward biodiversity conservation, this policy stipulates that we will identify risks and opportunities, and dependencies and impacts related to biodiversity throughout the supply chain, while helping to avoid and mitigate biodiversity loss and restoring and regenerating biodiversity.

Guided by our Corporate Philosophy, we will work to prevent the loss of biodiversity by pursuing conservation initiatives as well as sustainable use throughout the Company and supply chain in cooperation with our stakeholders.

#### Information Disclosure Based on the TNFD Recommendations

In 2023, we expressed our support for the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum, an international organization that creates a framework for assessing and disclosing risks and opportunities in natural capital and biodiversity.

#### Actions to Conserve Biodiversity

Keeping abreast of current conditions is critical for protecting global biodiversity. Earth Corporation is committed to protecting forests (which are home to various species) and is conducting surveys for this purpose. Located along the Seto Inland Sea, the Company's Sakoshi Plant is a production base rich in nature and has many green spaces. Our survey of these green spaces confirmed the presence of many organisms and rare species. Based on these efforts, the Sakoshi Plant was registered as a Nationally Certified Sustainably Managed Natural Site in March 2024. Earth Corporation also drafted a management plan and is continuing research and conservation activities.

Once a species becomes extinct, it is gone forever. We therefore must be mindful not to further reduce their numbers or degrade their environments. With that in mind, we work to preserve endangered insect species.

Earth Corporation also helps fight against invasive species that affect human health, agriculture, forestry, and fisheries.



<https://corp.earth.jp/jp/sustainability/environment/biodiversity/index.html>

# Sustainable Procurement

Earth Corporation feels that the very realization of its Corporate Philosophy is in and of itself an act of sustainability. As part of this belief, we feel that procurement activities would be impossible if they did not coexist with the Earth, which is why we see advancing sustainable procurement initiatives together with our business partners as essential for realizing sustainability. Along with building partnerships and maintaining ethical, fair relationships with all of our business partners, we will promote procurement that considers human rights, labor practices, and the environment in an effort to create value for Earth Corporation and to contribute to the sustainable development of society as a whole.

| Materiality (Key Issues)          | Key Topics and Main Measures                                      | Targets and KPIs                                                                                                                                                                                                         | FY2024 Results |
|-----------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Promoting sustainable procurement | ● Promote procurement of environment-friendly packaging materials | <b>Forest certified paper usage rate (by weight):</b> <ul style="list-style-type: none"><li>● Usage rate: 10% or more (2023)</li><li>● Usage rate: 30% or more (2026)</li><li>● Usage rate: 70% or more (2030)</li></ul> | 17.9%          |

## Basic Approach and Promotion Framework

Together with its business partners, Earth Corporation is committed to sustainable procurement under the Earth Group Global Code of Conduct with the aim of contributing to the sustainable development of society as a whole. After establishing our Sustainable Procurement Guidelines, in 2023 we established our Supplier Code of Conduct, and have reached out to all of our business partners to inform them of the items therein, and to

request that they comply. So that they re-evaluate the status of and continually enhance their own efforts, we ask our business partners to complete a CSR self-assessment questionnaire.

|                                                                                                                                                                          |                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  A request to suppliers (Only available in Japanese)                                    | <a href="https://corp.earth.jp/jp/sustainability/society/supply_chain/pdf/code.pdf">https://corp.earth.jp/jp/sustainability/society/supply_chain/pdf/code.pdf</a> |
|  Procurement Policies / Sustainable Procurement Guidelines (Only available in Japanese) | <a href="https://corp.earth.jp/jp/sustainability/society/supply_chain/index.html">https://corp.earth.jp/jp/sustainability/society/supply_chain/index.html</a>     |

### Building a Sustainable Value Chain



### Balancing Solutions to Social Issues with Business Growth Through Responsible Procurement

**Kengo Yamashita**  
Senior Executive Officer, Director General of Global Supply Chain Management Headquarters and CSCO

In order to deliver products to its customers in a reliable manner, Earth Corporation seeks to achieve responsible procurement throughout every link in the supply chain. Moreover, we are committed to reducing greenhouse gas emissions with the aim of solving the problems society faces regarding the global environment and logistics. In particular, we are working with our customers in an effort to minimize the number of vehicles we use to transport and deliver our products, and to reduce waiting times for drivers.

As an example, we cooperated with logistics service providers and other manufacturers to enable a round-trip mixed freight ferry transport service between Kyushu and the Kanto region. This service, which we have successfully put into stable operation, reduces waiting times for drivers during loading and unloading through delivery schedule coordination between the participating companies. As a result of this initiative, we cut-back 31 tons (19.0%) of CO<sub>2</sub> emissions per year, reduced driver working hours by 250 hours (15.4%) per year, and trimmed 39 vehicles (28.9%) off the total number per year. These outcomes are not the ultimate goal, which is why we will continue to promote these kinds of aggressive initiatives.

Conventional supply chains serve the mission of delivering safety and reliability to customers as they seek to manage trade-offs from the perspectives of quality and safety, service, cost, and cash. Building a sustainable supply chain, however, has become an essential part of addressing recent changes in the environment, market, and labor conditions. In order to realize this kind of supply chain, we have extended ongoing dialogue beyond the related departments to include customers, thereby allowing us to advance improvement activities that exceed the boundaries between departments and companies under a clear awareness of the goals.

Moreover, in a wider meaning of the supply chain, we simultaneously focus on training human resources, creating environments that allow employees to work as they see fit, establishing emotional security, and enabling opportunities for collaboration beyond the bounds of the Company. We will not be constrained by existing conventions as we set targets and goals from a higher vantage point, and take the initiative in undertaking new challenges.

Under the objective of balancing solutions to social issues with business growth, we will continue to pursue our evolution each and every day.

## Building a Sustainable Value Chain

To continually provide high-quality products and services to our customers, it is essential to work in close collaboration with the various business partners involved in the value chain. We are committed to building relationships of trust with our clients, aiming for mutual growth through sustainable initiatives.

### Ensuring Stable Logistics

In response to truck driver shortages coinciding with a declining working-age population, delivery delays due to falling transport

capacity, and other chronic social issues, we have joined the common platform created by Otsuka Warehouse, a Group company, in an effort to streamline logistics. We also work to save resources and improve transportation efficiency by changing the delivery form of raw materials. In doing so, it is important to cooperate with our business partners. We make sure that they understand our approach to the environment and other aspects of sustainable procurement as we move forward.

## Awareness-Raising Activities for Business Partners

As of December 2024, of the 209 business partners we approached about completing the CSR Self-assessment Questionnaire, we had received responses from 189 raw materials producers and contracted manufacturers. Based on the results and collated responses to the CSR Self-assessment Questionnaire, we share the results with business partners through individual

meetings, and strive to contribute toward the sustainable development of society as a whole. Going forward, in addition to continuing to implement this activity with respect to new business partners, with regard to indirect transactions, we will carry out raw materials procurement in accordance with the key points of our guidelines.

### Collated Results of Responses to the CSR Self-Assessment Questionnaire (As of December 2024)

| Item                      | Grading Distribution |                  |                  |                  |                 |
|---------------------------|----------------------|------------------|------------------|------------------|-----------------|
|                           | A (100-80 points)    | B (79-60 points) | C (59-40 points) | D (39-20 points) | E (19-0 points) |
| Corporate governance      | 58%                  | 24%              | 11%              | 7%               | 0%              |
| Human rights              | 52%                  | 25%              | 12%              | 11%              | 0%              |
| Labor                     | 72%                  | 17%              | 8%               | 3%               | 0%              |
| Environment               | 64%                  | 17%              | 11%              | 8%               | 1%              |
| Fair corporate activities | 61%                  | 22%              | 12%              | 5%               | 0%              |
| Quality and safety        | 78%                  | 16%              | 3%               | 3%               | 0%              |
| Information security      | 70%                  | 20%              | 7%               | 3%               | 0%              |
| Supply chain              | 45%                  | 31%              | 11%              | 13%              | 0%              |
| Regional society          | 58%                  | 24%              | 10%              | 8%               | 1%              |

## Human Rights Initiatives

### Support for the United Nations Global Compact

Earth Corporation became a signatory to the United Nations Global Compact (UNGC) in May 2021 and was registered as a participating company. By having each company and organization demonstrate responsible and creative leadership, the UNGC serves as a global framework for acting as a good member of society and achieving sustainable growth. We will continue our efforts toward the fulfillment of this objective.



### Human Rights Policy

To respect basic human rights and promote related efforts, we established the Earth Group Human Rights Policy in December 2023. Likewise, we make every effort to ensure that all executive officers and employees are aware of, and thoroughly practice, respect for human rights as an important social responsibility. To reduce human rights risks for all people involved in our business activities, including in our supply chain, we will continue to

promote efforts to respect human rights based on the United Nations Guiding Principles on Business and Human Rights. Furthermore, by acting in accordance with the Earth Group Global Code of Conduct, we will fulfill our responsibility to respect human rights by ensuring that we do not commit any human rights violations ourselves or contribute to human rights violations by our stakeholders that may arise in the course of our business activities.

In the years to come, we will strive to formulate and implement effective processes, such as human rights due diligence, to identify, assess, prevent, and mitigate any adverse human rights impacts that may arise in the course of our business activities.

|                                                                                                                                                    |                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  Earth Group Human Rights Policy (Only available in Japanese) | <a href="https://corp.earth.jp/jp/sustainability/society/human_rights/pdf/human_rights_policy.pdf">https://corp.earth.jp/jp/sustainability/society/human_rights/pdf/human_rights_policy.pdf</a> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Compliance

## Basic Concept

Earth Corporation has established a cross-sectoral Compliance Committee. This committee shares information regarding issues, formulates conduct guidelines for the Group, provides information and conducts training with a focus on corporate ethics and legal compliance. As a general rule, the Company distributes Compliance Support News, a compliance-related newsletter, to all employees twice a month in an effort to enhance awareness, and it also seeks to improve the effectiveness of training by conducting compliance awareness surveys.

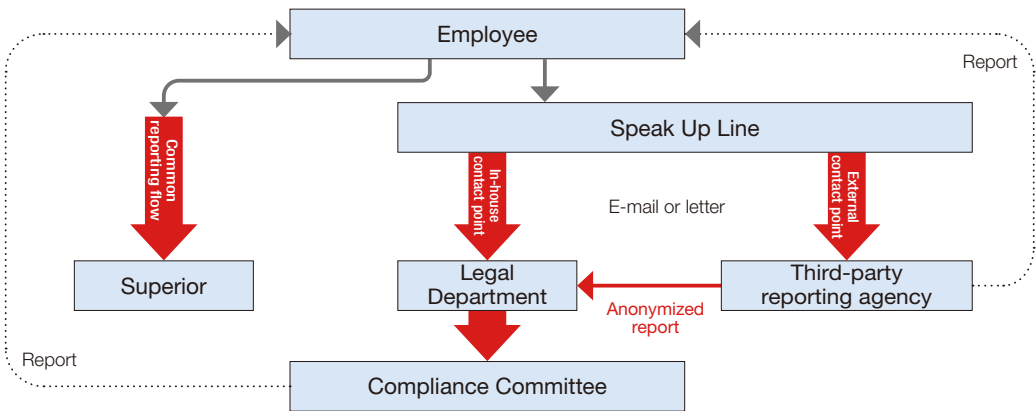
To ensure that all officers and employees (including contract, temporary, and part-time employees) maintain a strong sense of ethics and comply with laws and regulations, the Company also distributes the Earth Corporation Conduct Guidelines and Explanation of Guidelines. Moreover, to encourage employees' common-sense behavior as members of society using these documents as models, we systematically engage in instructional and awareness-raising activities through various meeting bodies and training programs.

## Internal Reporting System

To ensure that Earth Corporation earns a greater level of trust and stands as a company of true value, we recognize the importance of being open to receiving and providing solutions for issues that exist within and beyond the bounds of the Company. We therefore established the Speak Up Line as an internal reporting contact point in two locations, one internally under the jurisdiction of the Legal Department, and the other externally at a third-party organization. Speak Up Line enables inquiries about operations

and reporting on rule violations, where reporting to the external contact point can be made anonymously and is available for use by former employees up to one year after leaving the Company. Moreover, persons submitting inquiries or reports are protected to ensure that they are not subject to any disadvantageous treatment within the Company. We received five reports and consultations in fiscal 2024. There were no compliance violations.

“Speak Up Line” System



## Putting in Place an External Reporting Contact Point

To further strengthen governance functions, Earth Corporation has put in place a contact point to receive inquiries and reports from business partners regarding the Company's compliance with laws and corporate ethics (Earth Corporation Conduct Guidelines and Earth Group Global Conduct Guidelines). Contact point

operations are entrusted to IntegreX Inc., a third-party agency that has entered into an outsourcing and confidentiality agreement with Earth Corporation. Privacy is strictly protected, and individuals or business partners who have submitted reports will never be subject to disadvantageous treatment for having done so.

Reporting Contact Point Usage Record (non-consolidated)

| Nature of report                                                         | FY12/2020 | FY12/2021 | FY12/2022 | FY12/2023 | FY12/2024 |
|--------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Number of compliance training attendees                                  | 85        | 125       | 124       | 145       | 142       |
| Number of reports and consultations* (cases)                             | 3         | 5         | 4         | 7         | 5         |
| Number of compliance violations (causes leading to resignations) (cases) | 0         | 0         | 0         | 0         | 0         |

\* Include number of cases handled by the Harassment and Human Relations Hotline

# Risk Management

## Basic Approach

In its sustainability management, Earth Corporation recognizes the various risks surrounding its business from an ESG perspective. Also recognizing the importance of risk management from

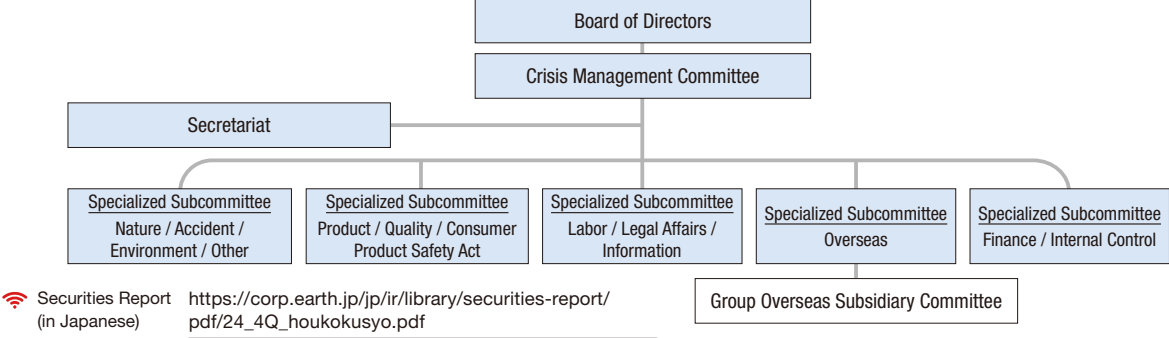
the perspectives of risk prevention, responding appropriately to crises, and creating business opportunities from risks, we work to further strengthen our management infrastructure.

## Crisis Management

The Company is advancing business continuity management (BCM) that promotes the functioning of its business continuity plan (BCP). Additionally, we have created a Crisis Management Manual and a BCP Manual to encourage the instilling of crisis awareness among our employees. For our efforts in providing support to affected areas during large-scale disasters, designating

evacuation sites, and concluding transportation capacity agreements, we obtained Resilience Certification from the National Resilience Promotion Office of the Cabinet Secretariat. Based on this certification, the Company undertakes measures in the event of disasters.

Crisis Management Structure



## Formulation of BCP and BCM

Fully aware of the possible serious damage associated with various management crises, such as risks to employee safety, the loss of society's trust, and economic losses, we organized and put in place systematic measures to prevent such management crises from occurring. In the unlikely event that a crisis materializes, we have also shared basic crisis management regulations to

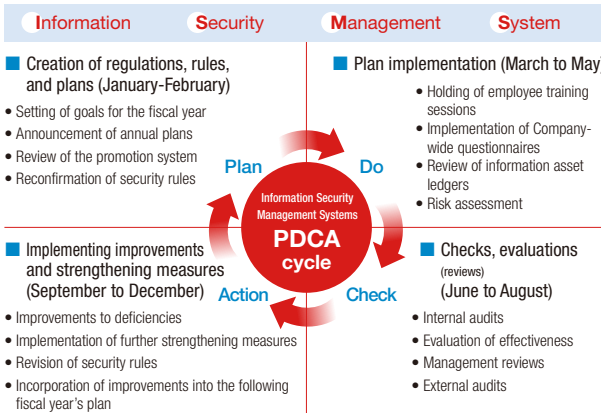
serve as a code of conduct, so that the parties involved can quickly make judgments and take action to minimize damage. Having formulated the BCP, the Crisis Management Committee conducts tabletop drills to review the countermeasures. Providing our employees with regular education and training sessions, we work to instill in them what to do in the event of a crisis situation.

## Information Security Initiatives

Earth Corporation has adopted an Information Security Management System (ISMS) and strives to enhance and continuously improve information security. Such initiatives aim to protect all our information assets from accidents, disasters, cyberattacks and other unfortunate events. By eliminating risks stemming from major security incidents, we work to ensure business continuity and gain social trust. The Company also receives ongoing certification for ISO/IEC 27001 and maintains a management structure based on international standards for its information security-related operations.

Security Policy (in Japanese) <https://corp.earth.jp/jp/security/index.html>

ISMS PDCA Cycle



Outside Director’s Message



Enhancing the Effectiveness of Corporate Governance

Harold George Meij  
Outside Director

Please tell us about the perspectives you pay particular attention to as an outside director regarding the three pillars of the Medium-Term Business Plan, as well as your assessment of its progress.

The Medium-Term Business Plan must be able to “speak” to both those inside and outside the Company, and particularly to investors and analysts. In this sense, I give the plan extremely high marks in that it focuses on the three pillars of “Expanding sales overseas,” “Transforming the earnings structure,” and “Enhancing Group management” from among Earth Corporation’s many strategies.

As I see it, the role of the outside directors is to take a clear view of these strategies over the medium- to long-term from a macro perspective. Companies outside Japan clearly demarcate their strategies, which affect the very direction of the company, from their tactics, which are shorter term initiatives. When assessing the progress of the Medium-Term Business Plan, I therefore believe we must look at it from the long-term perspective of three, five, or even ten years, not on a yearly basis.

In making my assessment, I also prioritize the motivation of the

employees as the driving force that propels companies in addition to the propriety of targets, changes in the competitive environment, and long-term trends like consumer mindsets. I have pointed this out at Board of Directors’ meetings, for example, to deepen discussions.

In terms of actual progress, “Expanding sales overseas” has already led to higher growth, to the point where overseas sales now account for 10% of net sales, whereas Stock Keeping Unit (“SKU”) reductions under “Transforming the earnings structure” are also making steady progress. On the other hand, although the reorganization and consolidation of subsidiaries is starting to move forward as the Group works toward “Enhancing Group management,” I feel the Company needs to continue focusing on the areas of maintaining employee motivation and of capturing the outcomes of consolidation (synergy).

During deliberations by the Board of Directors, what perspectives do you prioritize as an outside director, and how do you apply your own experience?

The Earth Corporation’s Board of Directors is uniquely composed of members with a diverse range of backgrounds, which allows it to engage in multifaceted, substantive discussions. In particular, when making important decisions regarding growth investments and capital policy, for example, the different understandings of risk and the different bases for judgement possessed by each director make for deeper deliberations. Moreover, by visualizing

data through the use of IT systems, the Company shares data on sales and production in real-time among the directors so that decision-making takes place based on a common information platform.

One of the unique initiatives of the Company is its study sessions attended solely by the outside directors ahead of time to discuss the agenda that will be raised during Board of Directors’ meetings. This initiative is extremely important from the perspective of judging risk,

and therefore contributes significantly to actual deliberations. In addition, when necessary, we ask those in charge of the responsible departments to provide explanations at these study sessions, which also makes for a valuable opportunity to gather candid thoughts from the frontlines that are difficult to pick up on at Board meetings.

I feel that every outcome is reflected in the stock price, dividends, and other forms of future corporate value, which is why I also see these impacts as a priority during deliberations over the cost of capital. Although I obviously also prioritize financial perspectives, ultimately, I express my thoughts with an awareness of how these outcomes are reflected in the stock price.

Moreover, leveraging my marketing experience, I also participate in and express my opinions at product development meetings, product strategy meetings, and other internal meetings. For example, I have suggested that the Company narrow down SKUs

when its products have been over concentrated in the same categories. Doing so will clearly showcase to consumers those products in which the Company has confidence, while also helping to improve productivity.

As far as human capital is concerned, the Company is advancing various initiatives now that it has established its Human Resources Philosophy and Human Resources Management Policy. Having received the “Health & Productivity Management Outstanding Organization 2025–White 500–” certification is clear proof that the Company’s human asset strategy is fully functioning. We are currently deepening debate at Board meetings over the format of the evaluation system that will be applied to all employees, during which I have raised questions about the ratio of men to women, the age breakdown, and other aspects of diversity from a long-term perspective.

Please tell us about the aspects of Earth Corporation in which you are interested, and your awareness of the issues at this point.

I feel that the Earth Corporation corporate brand has already achieved some degree of penetration. Which is exactly why I believe the Company must now strengthen investments in its individual product brands going forward. Earth Corporation must regularly evaluate these brands with a priority on the perspective of brand health (name recognition, popularity, market share, brand image).

My personal area of interest is the “MA-T® System.” Although its contribution to performance at this point is still quite limited, Earth Corporation holds the patent to MA-T® System which has the potential to become a source of future corporate brand value. So, I believe the Company should enhance its brand power from a long-term perspective while leveraging these kinds of unique initiatives.

I also feel the Company needs to put greater effort into the succession plan. Foreign-owned companies assume that one important role of all employees in charge of others and leaders, the President included, is to nurture multiple replacement candidates. Earth Corporation does not presently have any director with a manufacturing background, and we are debating whether this situation is appropriate. I feel that establishing a system that nurtures multiple successors for each position in a planned manner will directly connect to the stability of management and greater corporate value in the future.



As an outside director, what is your assessment of sustainability, as well as dialogue with markets and investors?

It seems to me that Earth Corporation actively communicates with shareholders and investors, for example by preparing integrated reports. On the other hand, from the perspective of IR marketing, I think it needs to expand opportunities for disclosure and dialogue, including more active information dissemination for overseas institutional investors and informal gatherings for individual investors. As an outside director, I sometimes have the chance to engage in a dialogue with institutional investors when they have asked to do so without going through an internal

director. I see these talks as a valuable opportunity to convey a candid viewpoint from outside the Company.

It is difficult for companies to make a major change in direction in a short time. Which is exactly why the Company must take a perspective that looks five to ten years in the future when thinking about how to make changes. As an outside director, I will therefore provide advice and assessments by strategically looking at ways of building and leveraging intangible assets to continuously drive innovation from a long-term perspective.

**Background**

After completing his master’s degree at New York University, Mr. Meij was involved in brand strategy and marketing duties at several companies, including Heineken Japan K.K. and Nippon Lever K.K. (currently, Unilever Japan K.K.). He also served as Executive Officer of the Oral Care Division at Sunstar Inc., Executive Vice President of COCA-COLA (JAPAN) COMPANY, LIMITED, and Representative Director, President & CEO of TOMY COMPANY, LTD., where he contributed to management reforms, performance turnaround, and greater brand value. He later went on to serve as Representative Director, President & CEO of New Japan Pro-Wrestling Co., Ltd., where he led international expansion and business growth. Along with his extensive real-world experience in Japan’s domestic and overseas consumer goods and entertainment industries, he has strong insight regarding management, global brand strategy, and organizational restructuring. He currently serves as an outside director for several companies, including Kewpie Corporation.

# Corporate Governance

In an effort to create and revitalize markets by providing products and services that offer value, Earth Corporation strives to earn the trust of stakeholders as a company that offers value, and therefore prioritizes ongoing initiatives to strengthen corporate governance with the goal of making quick management decisions, supervising and directing the execution of operations, ensuring thorough compliance, and disclosing information appropriately, at the appropriate times.

| Materiality (Key Issues)               |
|----------------------------------------|
| Strengthening the management structure |

## Defining Features and Evolution of Earth Corporation’s Corporate Governance

In order to achieve sustainable growth and enhance corporate value, Earth Corporation recognizes the importance of establishing a system for enabling quick decision-making that is both transparent and objective. In addition to keeping the number of directors to 10 or less (currently, nine) and limiting term lengths to one year, we introduced an executive officer system in an effort to respond with agility to changes in the management environment, and to clarify the roles and responsibilities of management. At the “Strategy Council” led by Katsunori Kawabata, Representative Director, President and CEO, executive officers serve as a body that deliberates on matters to be raised at meetings of the Board of Directors in advance as well as management items of particular importance among those to be approved by the President, and

are therefore expected to make appropriate decisions. Earth Corporation has adopted the corporate governance structure of a company with an Audit & Supervisory Board, wherein the Board of Directors and Strategy Council take the lead in making decisions on important matters. Meanwhile, the Company relies on advice and supervision from the third-party perspectives of outside directors and Audit & Supervisory Board members to enhance the transparency and health of management. Moreover, we ensure the effectiveness of governance through a structure that allows for close collaboration among the Audit & Supervisory Board, the Internal Auditing Department (internal audits), and accounting auditors, with the aim of precisely identifying the actual standing of the execution of operations and accounting.

### Initiatives for Strengthening Corporate Governance

|      |                                                                                                                                                                                                                                                                                                      |  |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 2015 | Appointed one independent outside director                                                                                                                                                                                                                                                           |  |
| 2016 | Formulated the Corporate Governance Guidelines                                                                                                                                                                                                                                                       |  |
| 2018 | Introduced an executive officer system                                                                                                                                                                                                                                                               |  |
| 2021 | Increased the number of internal directors by one to strengthen the management structure                                                                                                                                                                                                             |  |
| 2022 | Appointed one female director<br>Reduced the number of internal directors by one and increased the number of outside directors by one to achieve 33.3% for the ratio of outside directors<br>Established the Nomination and Compensation Committee<br>Published the Board of Directors’ skill matrix |  |
| 2024 | Reduced the number of internal directors by one and increased the number of outside directors by one to achieve 44.4% for the Board’s ratio of outside directors and 33.3% for its ratio of female directors                                                                                         |  |

## Roles of Related Bodies

### Board of Directors

As a rule, the Board of Directors meets once each month. To ensure the vitality and effectiveness of discussions and meetings of the Board of Directors, Earth Corporation has set an upper limit of 10 directors. Furthermore, to ensure independence and objectivity in discussions and meetings of the Board of Directors, we have appointed several independent outside directors, establishing a structure in which independent outside directors account for one third of all directors (four as of fiscal 2024). Based on their extensive experience and broad range of knowledge from their respective independent perspectives, the independent outside directors offer sound advice on management strategies and other topics, and therefore contribute to increasing the corporate value over the medium to long term. They also direct management through important decision-making processes at meetings of the Board of Directors, and monitor potential conflicts of interest based on objective arguments.

### Primary Matters Deliberated by the Board of Directors

- Matters concerning the General Meeting of Shareholders (convocation of the General Meeting of Shareholders and agenda selection, etc.)
- Matters concerning officers, organization, and personnel (appointment of Board directors, Audit & Supervisory Board members, and executive officers, etc.)
- Matters concerning overall Group management (formulation of the Medium-Term Business Plan, Group reorganization, M&A investigations, etc.)
- Matters concerning financial results and finances (financial results approval, shareholder return measure implementation, etc.)

### Audit & Supervisory Board

The Audit & Supervisory Board comprises three members (two of which are outside auditors). Based on auditing policies and annual auditing plans, it conducts operational audits through visits to Earth Corporation’s main workplaces and internal/external subsidiaries. It also monitors organizational operation structures by attending regular meetings of the Board of Directors and other

important meetings. It exchanges opinions on important issues arising during audits with directors, including the President & Representative Director. The Audit & Supervisory Board collaborates with the Auditing Division, which conducts internal audits, and holds regular meetings with accounting auditors to increase the effectiveness of audits through close collaborations, including active exchanges of information. The priority audit items for 2024 were the degree of management policy and business plan penetration among divisions, progress in building and operating internal controls, the appropriateness of accounting audits, and progress in building and managing the corporate governance structure.

### Nomination and Compensation Committee

The Nomination and Compensation Committee consists of the outside directors, the President & Representative Director, and the

internal directors (however, independent outside directors constitute a majority of the Committee). We strive to ensure transparency and objectivity so that accountability is fulfilled in the consideration of important issues, for example by first consulting with the Nomination and Compensation Committee regarding the appointment and dismissal of directors, director compensation, succession plans, and other important matters.

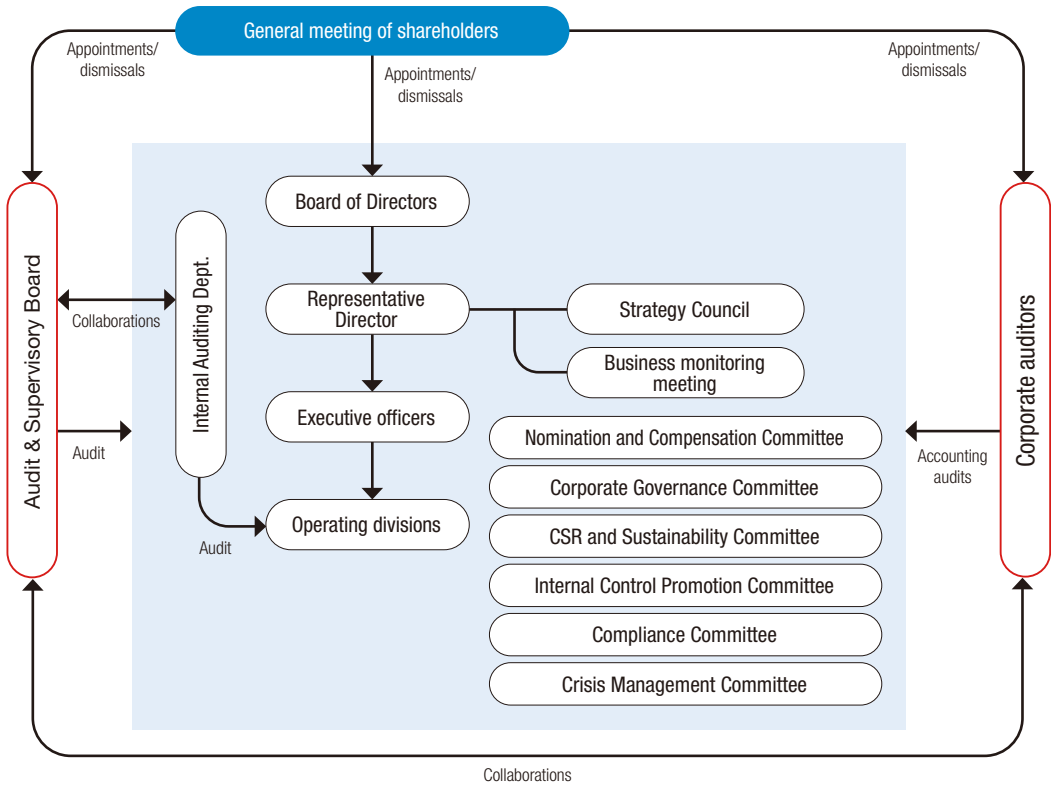
### Executive Officers

Earth Corporation has adopted an executive officer system to clarify management roles and responsibilities and increase the speed with which plans are executed. At the “strategy council” led by the President & Representative Director and comprising executive officers designated by the President, members conduct prior discussions about items to be raised at meetings of the Board of Directors, and deliberate on particularly important management items among those to be approved by the President.

### Meetings Held by the Board of Directors or Other Advisory Bodies in 2024

|                                       | Number of Meetings Held | Number of Topics Discussed | Number of Reports | Attendance Rate (internal officers) | Attendance Rate (external officers) |
|---------------------------------------|-------------------------|----------------------------|-------------------|-------------------------------------|-------------------------------------|
| Board of Directors                    | 13                      | 36                         | 51                | 94.1%                               | 100.0%                              |
| Audit & Supervisory Board             | 12                      | 8                          | 13                | 100.0%                              | 91.7%                               |
| Nomination and Compensation Committee | 2                       | 2                          | 0                 | 75%                                 | 100.0%                              |

### Corporate Governance Structure



Corporate Governance

Specific Deliberations by the Board of Directors

Having positioned the Medium-Term Business Plan as an important commitment, the Board of Directors is responsible for analyzing the factors involved in areas of the Plan that are yet to be achieved, and for reflecting these in future plans. Moreover, the Board ensures the effectiveness of internal controls, and

conducts objective investigations regarding proposals presented by the directors and executive officers, sets agenda items according to their importance, and deliberates upon these while working to ensure sufficient time for debate.

Skill Matrix

With the premise of achieving continuous growth for the Company and increasing corporate value in the medium and long term, we have identified the skills required of Earth Corporation’s Board of Directors, and have created a skill matrix to give a visual

representation of the knowledge and skills demonstrated by the various directors and Audit & Supervisory Board members. Essential skills will be reviewed regularly.

Skill matrix of the Board Directors and Audit & Supervisory Board Members

|                                            | Name               | Management Experience | Product Development | Sales & Marketing | Production & Procurement | Global | ESG & Sustainability | Human Resources & Human Resource Development | Legal & Risk Management | Finance & Accounting |
|--------------------------------------------|--------------------|-----------------------|---------------------|-------------------|--------------------------|--------|----------------------|----------------------------------------------|-------------------------|----------------------|
| Chairman                                   | Tatsuya Otsuka     | ○                     | ○                   | ○                 |                          |        |                      |                                              |                         |                      |
| Representative Director, President & CEO   | Katsunori Kawabata | ○                     | ○                   | ○                 |                          |        | ○                    |                                              |                         |                      |
| Board Director                             | Yoshiyuki Furuya   |                       |                     | ○                 | ○                        |        |                      |                                              |                         |                      |
| Board Director                             | Hisaaki Karataki   |                       |                     |                   | ○                        | ○      |                      | ○                                            | ○                       |                      |
| Board Director                             | Takeshi Shakata    |                       |                     | ○                 |                          | ○      |                      |                                              |                         |                      |
| Outside Director                           | Harold George Meij | ○                     | ○                   | ○                 |                          | ○      | ○                    |                                              |                         |                      |
| Outside Director                           | Naoko Mikami       | ○                     | ○                   |                   | ○                        |        |                      |                                              |                         |                      |
| Outside Director                           | Ruth Marie Jarman  |                       |                     | ○                 |                          | ○      | ○                    |                                              |                         |                      |
| Outside Director                           | Toshiko Oka        | ○                     |                     |                   |                          | ○      |                      | ○                                            | ○                       | ○                    |
| Full-time Audit & Supervisory Board Member | Yasuhiko Murayama  |                       |                     |                   |                          |        |                      | ○                                            | ○                       |                      |
| Outside Audit & Supervisory Board Members  | Yukako Ikukawa     |                       |                     |                   |                          |        |                      |                                              |                         | ○                    |
| Outside Audit & Supervisory Board Members  | Tatsuro Hayashi    |                       |                     |                   |                          |        |                      |                                              |                         | ○                    |

Reason for Skill Selection

[1] Skills that are the basis for making decisions on important issues such as management strategy

Management Experience

Human Resources & Human Resource Development

Legal & Risk Management

Finance & Accounting

[2] Deep understanding of and expertise in the Group’s business operations for supervising the execution of duties

Product Development

Sales & Marketing

Production & Procurement

[3] Skills and knowledge to respond to market demands and changes in the business and management environment

Global

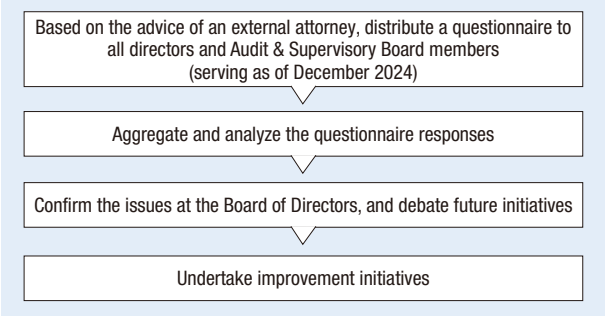
ESG & Sustainability

Effectiveness Evaluation for the Board of Directors

The effectiveness of the Board of Directors is evaluated once each year by directors and auditors, and as part of these evaluations, efforts are made to identify and resolve issues in order to further improve effectiveness.

In fiscal 2024, the Company distributed a questionnaire to all directors and Audit & Supervisory Board members serving as of December 2024 to evaluate the effectiveness of the Board of Directors, and to identify future issues and matters to be handled.

Analysis/Evaluation Process



Issues for Fiscal 2024

The following items were identified as future issues.

- Preparation of material formats and schedule management for more extensive discussions

Fiscal 2024 Initiatives and Evaluation

The questionnaire response analysis confirmed that the Company’s Board of Directors is generally effective in terms of its size and composition (diversity), prior sharing of discussion items, the volume and content of materials (risk information), meeting timings and time allocation, and the support system for outside directors (prior explanations regarding agenda items and opinion exchanges with auditors).

The Company engaged in the following initiatives regarding an issue raised during the previous Board of Directors’ effectiveness evaluation, namely “preparation of material formats and schedule management for more extensive discussions.”

- In terms of schedule management, the Company now shares a full-year schedule in advance, and provides notification to those scheduled to attend, including observes, regarding the planned agenda one week prior to the Board of Directors meeting.
- In terms of material formats, the Company changed the format of the Board of Directors’ convocation notice so that the directors can prepare in advance for the agenda items.

As a result of these efforts, regarding the provision of risk information concerning agenda items and information concerning the scope of responsibility, we received questionnaire responses to the effect that this issue had improved during the current fiscal year, so materials should continue to be provided within the current scope.

Issues for Fiscal 2025

We have received positive feedback on our proactive approach to providing outside directors with explanations of agenda items prior to meetings of the Board of Directors. As an issue for further enhancing deliberations by the Board of Directors, however, the comment was made that the opinions raised during these advance explanations should be summarized and shared during Board of Directors’ meetings.

Moreover, conducting advance explanations using an online format was also identified as an issue in order to increase participant efficiency.

About the Appointment of Directors and Audit & Supervisory Board Members

The Company appoints internal directors with extensive experience and a detailed knowledge of the Company’s operations and market environment, and independent outside directors with management experience at other companies and a broad range of knowledge. Furthermore, the Company appoints both non-Japanese and female outside directors in order to ensure diversity in the supervision and direction structure used by the Board of Directors.

Regarding the nomination of director candidates, the Representative Director and President presents candidate proposals prepared in consideration of past performance,

experience, and capabilities; receives advice on these proposals from the Nomination and Compensation Committee, a majority of which is comprised of independent outside directors; and submits them to the Board of Directors for a final decision following sufficient time for consideration. Please see the Convocation Notice of the Annual General Meeting of Shareholders regarding the reasons for director and auditor appointments.

Officer Compensation System

The Board of Directors has the authority to determine compensation amounts and calculation methods for Earth Corporation’s officers.

To continually increase corporate value and maintain compensation levels appropriate to securing outstanding members, the compensation structure incorporates a performance-linked bonus as a short-term incentive tied into performance and a restricted stock compensation plan as a medium- to long-term incentive tied into shareholder benefits. Individual compensation for Earth Corporation directors is set at an appropriate level based on the responsibilities of each position.

Compensation for internal directors is composed of basic compensation, performance-linked compensation, and non-monetary compensation. Basic compensation paid to each director is decided as an annual amount and is paid on a monthly basis, in keeping with the individual’s position and responsibilities. The amounts in question are considered comprehensively, taking into account the Company’s performance and employee salary levels. The amount of performance-linked bonuses is set within the scope of approximately 0-30% of basic compensation, taking into consideration the degree of achievement for both Company performance and the directors’ individual performance targets. Non-monetary compensation is provided as treasury stock compensation in the form of stocks with restrictions on transfer in the amount of 0-50% of the directors’ basic compensation, according to the position, in order to raise awareness of the need to enhance corporate value over the long term.

Compensation for outside directors is limited to basic compensation alone.

Total Amount of Director and Audit & Supervisory Board Member Compensation (2024)

| Officer Classification                  | Total Amount of Compensation (millions of yen) | Total Amount of Compensation by Type (millions of yen) |                                 |                           |                     | Number of Eligible Officers (persons) |
|-----------------------------------------|------------------------------------------------|--------------------------------------------------------|---------------------------------|---------------------------|---------------------|---------------------------------------|
|                                         |                                                | Fixed Compensation                                     | Performance-Linked Compensation | Non-monetary Compensation | Retirement Benefits |                                       |
| Directors (excluding outside directors) | 703                                            | 537                                                    | 1                               | 141                       | 24                  | 6                                     |
| Auditors (excluding outside auditors)   | 15                                             | 15                                                     | 0                               | —                         | —                   | 1                                     |
| Outside officers                        | 53                                             | 53                                                     | —                               | —                         | —                   | 7                                     |

Note: The total compensation of the six directors (excluding outside directors) includes their compensation as officers of consolidated subsidiaries.

Total Amount of Consolidated Compensation for Each Officer (2024)

| Name               | Total Amount of Consolidated Compensation (millions of yen) | Officer Classification | Company Classification                                         | Amount of Consolidated Compensation by Type (millions of yen) |                               |         |                     |
|--------------------|-------------------------------------------------------------|------------------------|----------------------------------------------------------------|---------------------------------------------------------------|-------------------------------|---------|---------------------|
|                    |                                                             |                        |                                                                | Basic Compensation                                            | Restricted Stock Compensation | Bonuses | Retirement Benefits |
| Tatsuya Otsuka     | 146                                                         | Director               | Submitting company                                             | 132                                                           | 13                            | 0       | —                   |
| Katsunori Kawabata | 301                                                         | Director               | Submitting company                                             | 229                                                           | 53                            | 0       | —                   |
|                    |                                                             | Director               | Consolidated subsidiary, BATHCLIN Corporation                  | 4                                                             | —                             | —       | —                   |
|                    |                                                             | Director               | Consolidated subsidiary, Hakugen Earth Co., Ltd.               | 4                                                             | —                             | —       | —                   |
|                    |                                                             | Director               | Consolidated subsidiary, Earth Pet Co., Ltd.                   | 4                                                             | —                             | —       | —                   |
|                    |                                                             | Director               | Consolidated subsidiary, Earth Environmental Service Co., Ltd. | 4                                                             | —                             | —       | —                   |

Note: The table only lists consolidated compensations whose total amounts to 100 million yen or more.

Officer Training and Succession Planning

Officers shall undergo training conducted by an outside instructor at least once each year, and shall participate in outside training as deemed necessary. The Company shall bear the cost of participation in training and related activities. Moreover, the Company shall provide candidates for future upper management positions with opportunities for management training by outside agencies.

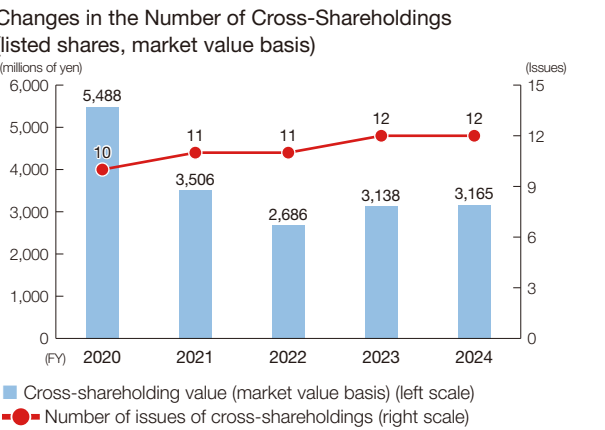
Earth Corporation selects a successor to the President &

Representative Director following sufficient studies based on the management environment at the time. At present, a concrete successor plan has not yet been established, but the Nomination and Compensation Committee will consider it in the future, and the training of successor candidates is ongoing through individual in-house training including decisions on important management issues.

Cross-Shareholdings

From the perspective of medium- to long-term corporate value, Earth Corporation holds cross-shareholdings for the purpose of maintaining and strengthening stable, medium- to long-term relationships with suppliers. However, the Company maintains a policy of minimizing the ownership of issues deemed to have insufficient rationale for such ownership, and of managing cross-shareholdings so that the appraised value of individual issues does not exceed 5% of total consolidated assets. The Board of Directors verifies the economic rationality of cross-shareholdings from both quantitative and qualitative perspectives on an annual basis, and makes a judgement on the continuation, expansion, reduction, or elimination of such. At the Board of Directors meeting in December 2024, the Company made an appropriate judgement regarding the validity of the purpose of held issues based in part on the rate of change in the assessed value of listed shares and

the average annual rate of change over the past five years.



Dialogue with Investors

Under the commitment of the President and other top executives, Earth Corporation prioritizes communication activities intended to build positive relationships with investors and all other stakeholders. By satisfying accountability with a high degree of transparency, dialogue serves to earn greater trust in and empathy with the Company, and aims to gain an understanding of medium- to long-term corporate value.

The opinions we receive from our stakeholders are channeled back to the management team as part of our commitment to enhancing sustainable corporate value.

Primary Topics and Matters of Interest Among Shareholders and Investors

- Overview of the Medium-Term Business Plan
- Progress reports on efforts to transform the earnings structure
- Approach to Group restructuring and governance
- Current business environment and future outlook
- Future concepts concerning new business

FY2024 Dialogue Results

| Implementation Details                 | Frequency                            | Representative                                                                                                              |
|----------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Financial results briefings            | 3 times (February, August, November) | Representative Director, President & CEO<br>Board Director, Senior Executive Vice President<br>Senior Executive Officer     |
| Financial results follow-up meetings   | 2 times (May, August)                | Senior Executive Officer<br>Corporate Management Department (IR Representative)                                             |
| Small meetings for sell-side analysts  | 2 times                              | Representative Director, President & CEO<br>Senior Executive Officer<br>Corporate Management Department (IR Representative) |
| One-on-one meetings with the President | 11 times                             | Representative Director, President & CEO<br>Senior Executive Officer<br>Corporate Management Department (IR Representative) |
| Individual meetings                    | 109 times                            | Corporate Management Department (IR Representative)                                                                         |

# Executives (as of March 27, 2025)

Directors ● Attendance at meetings of the Board of Directors ● Attendance at meetings of the Nomination and Compensation Committee ● Number of shares held



**Tatsuya Otsuka**

Chairman

● 10/13 (77%)

● 154,400 shares

Apr. 1986 Joined Otsuka Pharmaceutical Co., Ltd.  
Jan. 1990 Joined the Company  
Mar. 1990 Board Director of the Company  
Mar. 1992 Managing Board Director of the Company  
Mar. 1994 President & Executive Managing Board Director of the Company  
Mar. 1998 President & Representative Director of the Company  
Mar. 2014 Chairman of Board of Directors of the Company (present)



**Katsunori Kawabata**

Representative Director, President & CEO, Chairman of Board of Directors of each company

● 13/13 (100%)

● 1/2 (50%)

● 83,100 shares

Mar. 1994 Joined the Company  
Mar. 2011 Board Director Status, General Manager of Sales Headquarters Osaka Office of the Company  
Mar. 2013 Board Director, Director General of Gardening Strategy Headquarters of the Company  
Mar. 2014 President & Representative Director, Director General of Gardening Strategy Headquarters of the Company  
Aug. 2015 President & Representative Director, Director General of Marketing General Strategy Headquarters of the Company  
Mar. 2019 Chairman of the Board of Directors of BATHCLIN Corp. (present)  
President & Representative Director of Earth Pet Co., Ltd.  
Mar. 2021 Representative Director, President & CEO of the Company (present)  
Chairman of the Board of Directors of Hakugen Earth Co., Ltd. (present)  
Chairman of the Board of Directors of Earth Pet Co., Ltd. (present)  
Chairman of the Board of Directors of Earth Environmental Service Co., Ltd. (present)



**Yoshiyuki Furuya**

Director

● 12/13 (92%)

● 46,600 shares

Mar. 1985 Joined the Company  
Mar. 2008 Board Director Status, General Manager of Sales Planning Department, Sales Headquarters of the Company  
Feb. 2012 Board Director of BATHCLIN Corp.  
Mar. 2014 Board Director, General Manager of Sales Planning Department, Sales Headquarters of the Company  
Sep. 2014 Board Director of Hakugen Earth Co., Ltd.  
Jan. 2015 Board Director of the Company, Director General of Sales Headquarters of the Company  
Mar. 2016 Managing Board Director, Director General of Sales Headquarters of the Company  
Mar. 2018 Board Director & Managing Executive Officer, Director General of Sales Headquarters of the Company  
Mar. 2021 Board Director & Senior Managing Executive Officer, Assistant President of the Company  
Mar. 2023 Board Director, Executive Officer, and Assistant to the President, in Charge of Overall Management  
Mar. 2024 Board Director, Senior Executive Vice President of the Company (Present)



**Hisaaki Karataki**

Director

● 13/13 (100%)

● 2/2 (100%)

● 32,500 shares

Mar. 1979 Joined the Company  
Mar. 2006 Board Director Status, President & General Manager of Earth Chemical (Suzhou) Co., Ltd.  
Mar. 2011 Board Director of the Company & President of China Operations  
Jun. 2015 Chairman of Earth Chemical (Shanghai) Management Co., Ltd.  
Sep. 2015 Chairman of Earth Chemical (Suzhou) Co., Ltd.  
Chairman of Earth Chemical (Tianjin) Co., Ltd.  
Mar. 2016 Board Director, Director General of Administration Headquarters of the Company  
Jul. 2017 Audit & Supervisory Board Member of Earth Pet Co., Ltd.  
Mar. 2018 Board Director & Senior Executive Officer, Director General of Administration Headquarters of the Company  
Mar. 2021 Board Director & Managing Executive Officer, Director General of Administration Headquarters of the Company  
Mar. 2023 Board Director Executive Vice President, in charge of Administration, Director General of Administration Headquarters of the Company  
Mar. 2024 Board Director & Executive Vice President, in charge of Administration (present)



**Takeshi Shakata**

Director

● 13/13 (100%)

● 11,700 shares

Apr. 1988 Joined Kyushu Sangyo Kotsu Co., Ltd. (currently KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.)  
Aug. 1996 Joined Hisamitsu Pharmaceutical Co., Inc.  
Mar. 2006 General Manager of West Japan Operations Dept. of Hisamitsu Pharmaceutical Co., Inc.  
Sep. 2009 Chairman and President of Hisamitsu Vietnam Pharmaceutical Co., Ltd.  
Jun. 2012 Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu of Pharmaceutical Co., Inc.  
May 2015 Senior Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu of Pharmaceutical Co., Inc.  
May 2019 Managing Executive Officer, General Manager of Pharmaceutical and Cosmetics Business Division of Hisamitsu of Pharmaceutical Co., Inc.  
Jan. 2021 Joined the Company  
Mar. 2021 Board Director & Managing Executive Officer, Director General of Sales Headquarters of the Company  
Mar. 2023 Board Director Executive Vice President, in charge of Sales and Marketing Division, Director General of Sales Headquarters of the Company  
Mar. 2024 Board Director Executive Vice President, in charge of Sales and Marketing Division, Director General of Sales Headquarters of the Company  
Oct. 2024 Board Director & Executive Vice President, Director General of Sales Headquarters of the Company (present)



**Harold George Meij**

Outside Director

● 13/13 (100%)

● 2/2 (100%)

● 0 shares

Jan. 1987 Joined Heineken Japan K.K. Assistant General Manager of Heineken Japan K.K.  
Apr. 1990 Joined Nippon Lever K.K. (currently Unilever Japan K.K.) Assistant Brand Manager of Nippon Lever K.K.  
Apr. 2000 Joined Sunstar Inc. Executive Officer of Oral Care Division of Sunstar Inc.  
Sep. 2006 Joined COCA-COLA (JAPAN) COMPANY, LIMITED Executive Vice President & General Manager of Marketing Headquarters of COCA-COLA (JAPAN) COMPANY, LIMITED  
Nov. 2008 Executive Vice President & Chief Customer Officer of COCA-COLA (JAPAN) COMPANY, LIMITED  
Mar. 2014 Joined TOMY COMPANY, LTD. Management Advisor of TOMY COMPANY, LTD.  
Jun. 2015 Representative Director, President & CEO of TOMY COMPANY, LTD.  
May 2018 Representative Director, President & CEO of New Japan Pro-Wrestling Co., Ltd.  
Mar. 2019 Outside Director of the Company (present)  
Nov. 2020 Advisor of Sanrio Company, Ltd. (present)  
Apr. 2021 Outside Director of Ailamin Pharmaceutical Co., Ltd.  
Dec. 2021 Outside Director of COLOPL, Inc.  
Apr. 2022 Outside Director of Panasonic Corporation  
Feb. 2024 Outside Director of Kewpie Corporation (present)  
Apr. 2025 Advisor of Panasonic Corporation (present)  
**Major concurrent posts**  
Advisor of Sanrio Company, Ltd., Advisor of Panasonic Corporation, Outside Director of Kewpie Corporation



**Naoko Mikami**

Outside Director

● 13/13 (100%)

● 2/2 (100%)

● 600 shares

Apr. 1983 Joined Ajinomoto Co., Inc.  
Apr. 2007 Visiting Professor, Musashino University  
Jan. 2010 Joined C'BON COSMETICS Co., Ltd. Senior Manager of Tochigi Plant  
Apr. 2010 Plant Manager of Tochigi Plant of C'BON COSMETICS Co., Ltd.  
Jun. 2011 Executive Officer in charge of Production Dept. of C'BON COSMETICS Co., Ltd.  
Jun. 2012 Board Director in charge of Production Dept. of C'BON COSMETICS Co., Ltd.  
Apr. 2017 Board Director & Executive Officer in charge of Administration Division of C'BON COSMETICS Co., Ltd.  
Jun. 2017 Managing Board Director & Executive Officer of C'BON COSMETICS Co., Ltd.  
Jun. 2019 Representative Director & Vice President, Executive Officer of C'BON COSMETICS Co., Ltd.  
Jan. 2020 Representative Director & Vice President, Executive Officer in charge of Product Development Division of C'BON COSMETICS Co., Ltd.  
Jun. 2021 Outside Director of Showa Sangyo Co., Ltd. (present)  
Mar. 2022 Outside Director of the Company (present)  
Mar. 2024 Outside Director of Kuraray Co., Ltd. (present)  
Mar. 2025 Outside Director of Kirin Holdings Co., Ltd. (present)

**Major concurrent posts**  
Outside Director of Showa Sangyo Co., Ltd., Outside Director of Kuraray Co., Ltd., Outside Director of Kirin Holdings Co., Ltd.



**Ruth Marie Jarman**

Outside Director

● 10/10 (100%)

● 100 shares

Dec. 1988 Joined Recruit Co., Ltd.  
Dec. 2000 Joined Space Design Inc.  
Apr. 2012 CEO of Jarman International KK (present)  
Jun. 2012 Director of HRM Association (present)  
Jun. 2019 Outside Director of Fujibo Holdings, Inc. (present)  
Jun. 2020 Outside Director of KADOKAWA Corp. (present)  
Jun. 2023 Director of Japan Association for Women's Education (present)  
Jun. 2024 Outside Director of the Company (present)

**Major concurrent posts**  
CEO of Jarman International KK, Director of HRM Association, Outside Director of Fujibo Holdings, Inc., Outside Director of KADOKAWA Corp., Director of Japan Association for Women's Education



**Toshiko Oka**

Outside Director

● 10/10 (100%)

● 0 shares

Apr. 1986 Joined Tohmatsu Touche Ross Consulting Limited  
Jul. 2000 Joined Asahi Arthur Anderson Limited  
Sep. 2002 Principal of Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.)  
Apr. 2005 President and Representative Director of Abeam M&A Consulting Ltd. (currently PwC Advisory LLC)  
Apr. 2016 Partner of PwC Advisory LLC  
Jun. 2016 Outside Director of Hitachi Metals, Ltd. (currently Proterial, Ltd.)  
Jun. 2019 Outside Director of Happinet CORPORATION (present)  
Jun. 2020 Outside Director of ENEOS Holdings, Inc. (present)  
Apr. 2021 Professor of Meiji University Graduate School of Global Business (present)  
Jun. 2021 Outside Director of Hitachi Construction Machinery Co., Ltd. (present)  
Jun. 2024 Outside Director of the Company (present)

**Major concurrent posts**  
Outside Director of Happinet CORPORATION, Outside Director of ENEOS Holdings, Inc., Professor of Meiji University Graduate School of Global Business, Outside Director of Hitachi Construction Machinery Co., Ltd.

## Audit & Supervisory Board Members

● Attendance at meetings of the Audit & Supervisory Board ● Number of shares held



**Yasuhiko Murayama**

Full-time Audit & Supervisory Board Member

● 12/12 (100%)

● 6,600 shares

Mar. 1979 Joined the Company  
Apr. 2005 General Manager of Audit Office  
Mar. 2012 General Manager of the Administration Headquarters Human Resources Management Department  
Jun. 2013 Board Director Status, General Manager of the Administration Headquarters Human Resources Management Department  
Mar. 2018 Executive Officer, General Manager of the Administration Headquarters Human Resources Management Department  
Mar. 2019 Full-time Audit & Supervisory Board Member of the Company (present)



**Yukako Ikukawa**

Outside Audit & Supervisory Board Member

● 12/12 (100%)

● 500 shares

Apr. 1997 Joined ORIX Corporation  
Jun. 1998 Joined Saito Accounting Office  
Sep. 2001 Joined Tadashi Furumoto Certified Public Accounting & Tax Office (currently Deloitte Tohmatsu Tax Co.)  
Mar. 2003 Registered as Certified Public Tax Accountant  
Jul. 2012 Director of Tohmatsu Tax Co. (currently Deloitte Tohmatsu Tax Co.)  
Oct. 2015 Head of Yukako Ikukawa Certified Public Tax Accountant Office (present)  
Dec. 2015 Outside Audit & Supervisory Board Member of Toa Valve Engineering Inc. (currently TVE Co., Ltd.)  
Dec. 2016 Outside Director (Audit & Supervisory Committee Member) of Toa Valve Engineering Inc. (currently TVE Co., Ltd.)  
Mar. 2019 Outside Audit & Supervisory Board Member of the Company (present)  
Jun. 2023 Outside Director (Audit & Supervisory Committee Member) of GLORY LTD. (Present)

**Major concurrent posts**  
Head of Yukako Ikukawa Certified Public Tax Accountant Office, Outside Director (Audit & Supervisory Committee Member) of GLORY LTD.



**Tatsuro Hayashi**

Outside Audit & Supervisory Board Member

● –

● 0 shares

Sep. 1986 Joined Audit Corporation Chuo Accounting Office  
Mar. 1989 Registered as a Certified Public Accountant  
May. 1992 Seconded to Coopers & Lybrand (currently PwC) Frankfurt, Germany office  
Sep. 1995 Chuo Audit Corporation Tokyo Office  
Jul. 2005 Registered as a member of Chuo Aoyama Audit Corporation  
Aug. 2007 Partner at ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC)  
Jul. 2016 Seconded to the Japanese Institute of Certified Public Accountants, Quality Control Reviewer  
Jul. 2018 Ernst & Young ShinNihon LLC, Sapporo office  
Jul. 2024 Head of Tatsuro Hayashi Certified Public Accountant Office (present)  
Mar. 2025 Outside Audit & Supervisory Board Member of the Company (present)

**Major concurrent posts**  
Head of Tatsuro Hayashi Certified Public Accountant Office

## Executive Officers

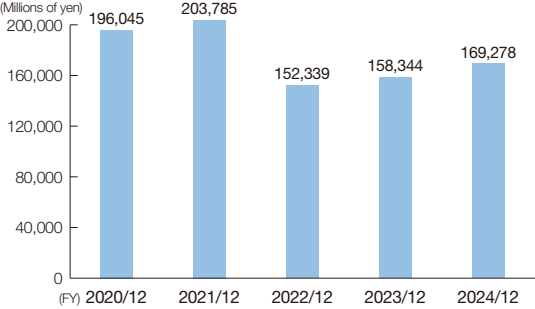
|                                 |                           |                           |                            |                    |                          |
|---------------------------------|---------------------------|---------------------------|----------------------------|--------------------|--------------------------|
| Senior Executive Vice President | <b>Yoshiyuki Furuya</b>   | Senior Executive Officers | <b>Tsuyoshi Mitsuzuka</b>  | Executive officers | <b>Yasunori Sakamoto</b> |
|                                 |                           |                           | <b>Hiroyuki Matsushita</b> |                    | <b>Yoshiaki Sakurai</b>  |
| Executive Vice Presidents       | <b>Hisaaki Karataki</b>   |                           | <b>Norio Horiyama</b>      |                    | <b>Akira Kaji</b>        |
|                                 | <b>Takeshi Shakata</b>    |                           | <b>Takumi Adachi</b>       |                    | <b>Jun Hiramatsu</b>     |
|                                 |                           |                           | <b>Hiroyuki Kubo</b>       |                    | <b>Masaharu Wada</b>     |
| Managing Executive Officers     | <b>Takayuki Nagamatsu</b> |                           | <b>Hiroyuki Taniguchi</b>  |                    | <b>Tomokazu Nohso</b>    |
|                                 | <b>Hiroshi Kijima</b>     |                           | <b>Kengo Yamashita</b>     |                    | <b>Akira Yamauchi</b>    |
|                                 | <b>Toshitaka Ochi</b>     |                           | <b>Isao Goji</b>           |                    | <b>Shotaro Okada</b>     |
|                                 | <b>Kentaro Sato</b>       |                           | <b>Mikako Kawaguchi</b>    |                    | <b>Morihiro Wada</b>     |
|                                 |                           |                           |                            |                    | <b>Hideo Koori</b>       |
|                                 |                           |                           |                            |                    | <b>Hiroyuki Ono</b>      |

Financial / Non-financial Highlights

Financial

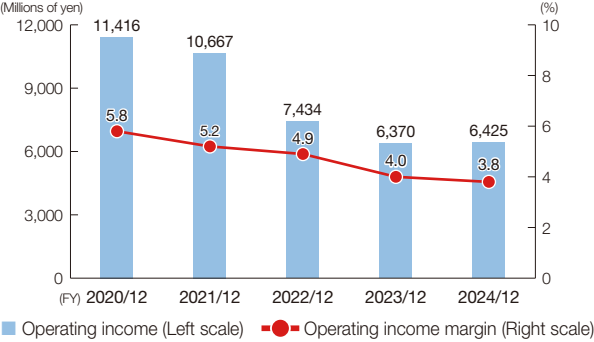
\* The “Accounting Standard for Revenue Recognition” applied from fiscal 2022.

Consolidated Sales



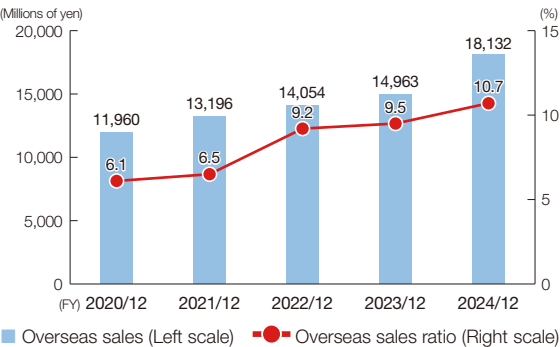
Sales increased 6.9% year on year to ¥169,278 million owing to increased sales in Insecticides & Repellents brought about by the high temperatures and lingering heat of summer during the peak sales season, burgeoning sales in the ASEAN region as well as export and sales growth in the General Environment and Sanitation Business.

Operating Income / Operating Income Margin



Operating income came to ¥6,425 million (up 0.9 of a percentage point year on year). Despite the prolonged surge in raw material prices and an upswing in selling, general and administrative expenses, operating income increased due to the improvement in gross profit accompanying higher sales.

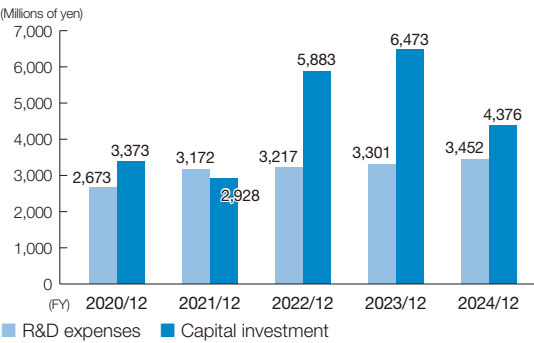
Overseas Sales\* / Overseas Sales Ratio



With both local subsidiaries and exports performing well, overseas sales increasing 21.2% year on year to ¥18,132 million and the overseas sales ratio came in at 10.7% (up 1.2 percentage points year on year). In our mainstay markets of Thailand and Vietnam, we are working to gain our customers’ support, which equates to our market share.

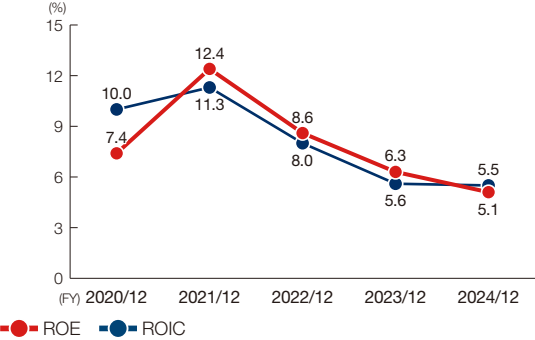
\*Sales to outside customers only.

R&D Expenses / Capital Investment



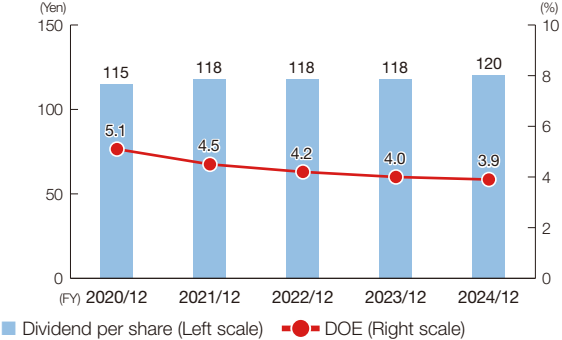
In the fiscal year under review, Earth Corporation undertook R&D investments to increase the Company’s non-financial value. As a result, research and development expenses amounted to ¥3,452 million. Capital investments totaled ¥4,376 million. In addition to the construction of a new factory building and production facilities at Earth Pet Co., Ltd.’s Okinawa plant, this included expenditures undertaken in such areas as the renewal of production facilities for our ONPO Dekamaru bath salts and the purchase of molds and research equipment.

ROE/ROIC



Due to the decline in net income associated with the recording of impairment losses, ROE came in at 5.1% (down 1.2 percentage points year on year). ROIC remained roughly flat, coming in at 5.5% (down 0.1 of a percentage point year on year).

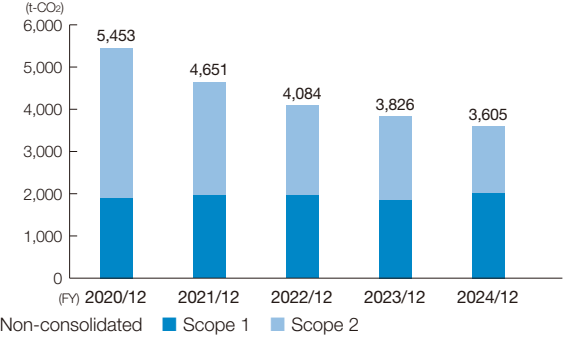
Dividend per Share / DOE (Dividend on equity)



Taking into account earnings performance in the fiscal year under review and the funds necessary for future growth, and in addition to the regular full-year dividend of ¥118 per share, we decided to pay a commemorative dividend of ¥2 per share to express our gratitude to all parties involved for their long-term support and cooperation as we mark our 100th anniversary in 2025 for a full-year dividend per share of ¥120 for the fiscal year ended December 2024, and a DOE ratio of 3.9%.

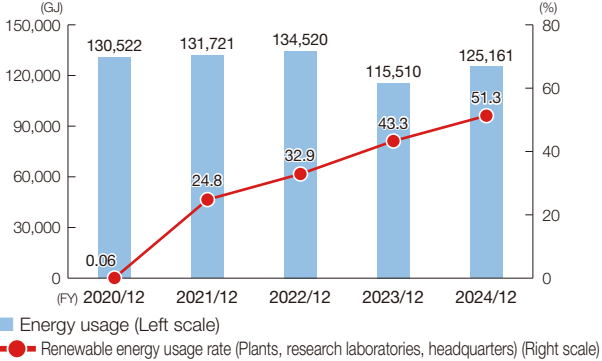
Non-financial

Greenhouse Gas Emissions (Scope 1+ 2)



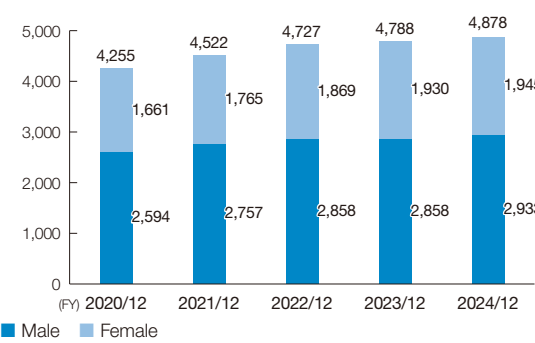
In addition to its daily energy-saving activities, Earth Corporation switched to electricity derived from renewable energy sources at the production building of its Sakoshi Plant. As a result, greenhouse gas emissions came to 3,605t-CO<sub>2</sub> (a year-on-year decrease of 5.8%).

Energy Usage / Renewable Energy Usage Rate



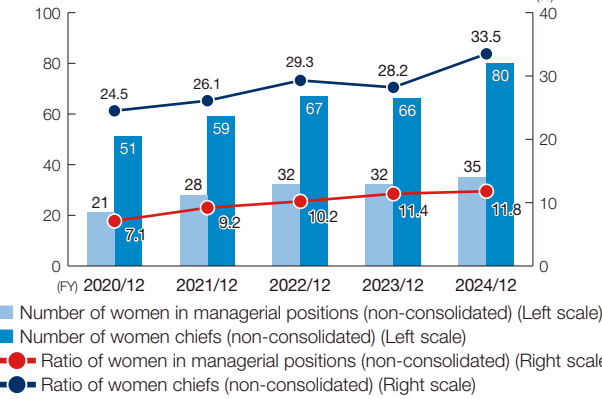
In terms of our use of energy, we are advancing efforts to combat climate change both through energy conservation and the use of renewable energy. Our plants completed the transition to renewable energy sources for electric power in 2023.

Number of Employees (consolidated)



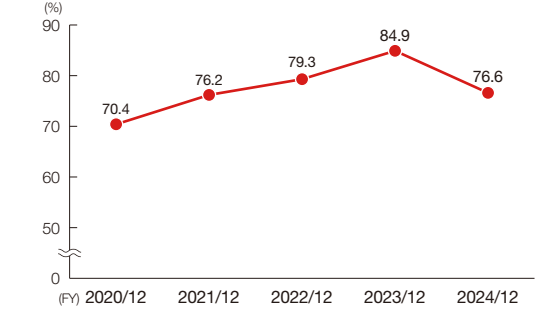
Promoting the acceptance of diverse human resources, we engage in fair recruitment selection based on applicant aptitude and ability. Recruiting and developing human resources in a planned manner, including by setting hiring quotas for foreign employees, we are also fine-tuning our personnel planning. With the aim of securing human resources with the expertise and on-site capabilities to flexibly respond to business issues both in Japan and overseas, we are promoting the creation of a human resource pool in preparation for business expansion.

Number/Ratio of Women in Managerial Positions / Number/Ratio of Women Chiefs (both non-consolidated)



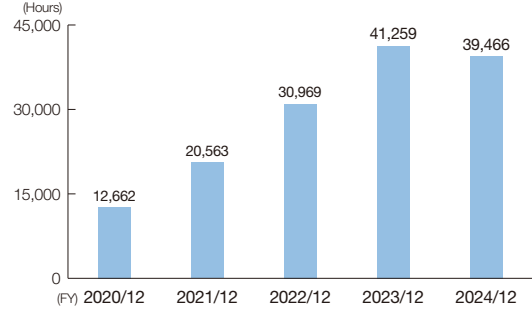
With the goal of achieving a 30% ratio of women in managerial positions in 2030, we hold career training sessions for management candidates and encourage employees to actively participate in their career development through career plan sheets. In fiscal 2024, the ratio of women in managerial positions stood at 11.8%, and the ratio of women chiefs reached 33.5%.

Paid Holiday Usage Rate (non-consolidated)



With the aim of creating workplaces that support the active participation of diverse human resources, we are working to introduce systems that allow for flexible workstyles and promote the use of paid holidays. In fiscal 2024, the paid holiday usage rate decreased due to such factors as allowing medical checkups to be taken during working hours. We will, however, continue to implement measures designed to persuade employees in taking paid time off, such as the utilization of days on which paid holidays are encouraged.

Total Training Hours (non-consolidated)



With the aim of developing self-directed human assets, we reviewed our grade-specific training and provided online learning opportunities, furthering the development of the foundation for human resource development in fiscal 2024. Total training hours came in at 39,466 hours, a decrease of 1,793 hours year on year. In fiscal 2025, however, we will work to expand and upgrade our online training sessions and carry out further reviews of our grade-specific training thereby providing more opportunities for reskilling.

11-Year Summary of Major Financial and Non-financial Data

\* The “Accounting Standard for Revenue Recognition” is applied from 2022.

| Financial indicators                                     | 2014/12    | 2015/12    | 2016/12    | 2017/12    | 2018/12    |  | 2019/12    | 2020/12    | 2021/12    | 2022/12    | 2023/12    | 2024/12    |
|----------------------------------------------------------|------------|------------|------------|------------|------------|--|------------|------------|------------|------------|------------|------------|
| Fiscal year-end (unit: million yen)                      |            |            |            |            |            |  |            |            |            |            |            |            |
| Sales                                                    | 145,858    | 159,739    | 168,505    | 179,738    | 181,104    |  | 189,527    | 196,045    | 203,785    | 152,339    | 158,344    | 169,278    |
| Overseas sales*1                                         | 5,305      | 5,791      | 6,734      | 9,198      | 9,986      |  | 11,309     | 11,960     | 13,196     | 14,054     | 14,963     | 18,132     |
| Overseas sales ratio (%)                                 | 3.6        | 3.6        | 4.0        | 5.1        | 5.5        |  | 6.0        | 6.1        | 6.5        | 9.2        | 9.5        | 10.7       |
| Total cost of sales                                      | 91,150     | 101,241    | 104,870    | 111,636    | 113,727    |  | 119,109    | 117,094    | 121,451    | 89,870     | 94,719     | 100,309    |
| Total selling, general and administrative expenses       | 49,864     | 54,481     | 58,085     | 63,645     | 66,340     |  | 66,501     | 67,535     | 71,666     | 55,034     | 57,254     | 62,543     |
| Advertising expenses                                     | 8,586      | 8,997      | 8,960      | 9,898      | 10,579     |  | 8,007      | 7,937      | 8,100      | 7,112      | 6,982      | 8,559      |
| Personnel expenses                                       | 14,026     | 15,074     | 16,295     | 16,838     | 17,707     |  | 18,478     | 20,253     | 20,882     | 20,685     | 21,607     | 23,588     |
| Depreciation                                             | 466        | 531        | 713        | 929        | 1,096      |  | 1,096      | 1,123      | 1,277      | 1,475      | 1,728      | 1,987      |
| Amortization of goodwill                                 | 1,765      | 1,908      | 1,908      | 2,295      | 2,559      |  | 2,596      | 2,440      | 1,836      | 429        | 119        | 146        |
| Research and development expenses                        | 2,227      | 2,328      | 2,682      | 2,695      | 2,900      |  | 2,663      | 2,673      | 3,172      | 3,217      | 3,301      | 3,452      |
| Operating income                                         | 4,843      | 4,016      | 5,549      | 4,456      | 1,036      |  | 3,916      | 11,416     | 10,667     | 7,434      | 6,370      | 6,425      |
| Operating income margin (%)                              | 3.3        | 2.5        | 3.3        | 2.5        | 0.6        |  | 2.1        | 5.8        | 5.2        | 4.9        | 4.0        | 3.8        |
| Net income before income taxes                           | 5,567      | 4,306      | 6,437      | 5,059      | 1,960      |  | 3,372      | 7,278      | 10,963     | 8,057      | 6,563      | 5,946      |
| Net income attributable to owners of parent              | 1,705      | 1,165      | 3,364      | 2,205      | -142       |  | 1,250      | 3,547      | 7,142      | 5,303      | 4,102      | 3,475      |
| Cash flows from operating activities                     | 6,380      | 3,791      | 8,089      | 9,175      | 369        |  | 10,022     | 24,590     | 4,814      | 3,901      | 7,524      | 13,964     |
| Cash flows from investing activities                     | -10,422    | -5,969     | -5,501     | -13,995    | -1,515     |  | -3,990     | -3,168     | -3,220     | -6,266     | -10,135    | -5,280     |
| Cash flows from financing activities                     | 3,489      | 1,180      | -2,216     | 3,262      | -3,203     |  | -4,768     | -4,938     | -4,610     | -4,464     | 4,893      | -9,901     |
| Free cash flow                                           | -4,041     | -2,178     | 2,587      | -4,819     | -1,146     |  | 6,031      | 21,421     | 1,594      | -2,364     | -2,611     | 8,683      |
| Fiscal year-end (unit: million yen)                      |            |            |            |            |            |  |            |            |            |            |            |            |
| Total property, plant and equipment                      | 23,879     | 26,761     | 28,431     | 29,643     | 29,215     |  | 28,220     | 28,030     | 27,551     | 29,483     | 31,383     | 31,443     |
| Inventory assets                                         | 22,228     | 23,216     | 23,159     | 22,629     | 23,782     |  | 22,507     | 22,179     | 27,502     | 32,253     | 28,266     | 29,885     |
| Total intangible assets                                  | 14,450     | 12,703     | 12,132     | 19,256     | 16,180     |  | 13,143     | 6,268      | 4,276      | 5,355      | 8,774      | 7,428      |
| Total assets                                             | 101,598    | 104,448    | 107,366    | 118,167    | 109,309    |  | 107,425    | 119,870    | 120,715    | 124,489    | 132,407    | 135,636    |
| Total liabilities                                        | 52,017     | 55,457     | 58,174     | 67,638     | 64,936     |  | 63,102     | 60,046     | 56,118     | 56,470     | 60,406     | 60,983     |
| Total borrowings                                         | 11,452     | 15,148     | 15,503     | 22,254     | 22,764     |  | 20,717     | 5,290      | 3,698      | 2,200      | 10,000     | 5,000      |
| Short-term borrowings                                    | 2,240      | 4,051      | 4,997      | 7,859      | 12,072     |  | 13,882     | 1,756      | 1,480      | 1,000      | 10,000     | 5,000      |
| Current portion of long-term borrowings                  | 2,206      | 3,066      | 2,667      | 4,041      | 3,882      |  | 3,284      | 1,314      | 1,018      | 1,200      | 0          | 0          |
| Long-term borrowings                                     | 7,006      | 8,030      | 7,838      | 10,354     | 6,809      |  | 3,550      | 2,218      | 1,200      | 0          | 0          | 0          |
| Total net assets                                         | 49,580     | 48,991     | 49,192     | 50,529     | 44,372     |  | 44,322     | 59,823     | 64,596     | 68,018     | 72,000     | 74,652     |
| Year-end share price (yen)                               | 4,015      | 4,965      | 4,750      | 5,680      | 5,050      |  | 5,700      | 5,820      | 6,130      | 5,060      | 4,570      | 5,600      |
| Information per share (unit: yen)                        |            |            |            |            |            |  |            |            |            |            |            |            |
| Net income per share                                     | 84.47      | 57.69      | 166.60     | 109.20     | -7.06      |  | 61.80      | 170.65     | 323.76     | 240.47     | 185.57     | 158.26     |
| Net assets per share                                     | 2,192.88   | 2,151.82   | 2,154.95   | 2,225.30   | 1,989.93   |  | 1,978.86   | 2,507.62   | 2,720.37   | 2,846.07   | 3,007.52   | 3,162.24   |
| Dividend per share                                       | 110.0      | 110.0      | 115.0      | 115.0      | 115.0      |  | 100.0      | 115.0      | 118.0      | 118.0      | 118.0      | 120.0      |
| Profitability and valuation reporting                    |            |            |            |            |            |  |            |            |            |            |            |            |
| Equity ratio (%)                                         | 43.6       | 41.6       | 40.5       | 38.0       | 36.8       |  | 37.3       | 46.1       | 49.7       | 50.4       | 50.3       | 50.8       |
| ROE (%)                                                  | 3.9        | 2.7        | 7.7        | 5.0        | -0.3       |  | 3.1        | 7.4        | 12.4       | 8.6        | 6.3        | 5.1        |
| ROIC (%)                                                 | 3.4        | 2.6        | 5.6        | 3.6        | 0.3        |  | 3.0        | 10.0       | 11.3       | 8.0        | 5.6        | 5.5        |
| D/E ratio (times)                                        | 0.27       | 0.36       | 0.36       | 0.50       | 0.57       |  | 0.52       | 0.10       | 0.06       | 0.04       | 0.15       | 0.07       |
| DOE (%)                                                  | 5.1        | 5.1        | 5.3        | 5.3        | 5.5        |  | 5.0        | 5.1        | 4.5        | 4.2        | 4.0        | 3.9        |
| PBR (times)                                              | 1.83       | 2.31       | 2.20       | 2.55       | 2.54       |  | 2.88       | 2.32       | 2.25       | 1.78       | 1.52       | 1.77       |
| Dividend payout ratio (%)                                | 130.2      | 190.7      | 69.0       | 105.3      | —          |  | 161.9      | 67.4       | 36.4       | 49.1       | 63.6       | 75.8       |
| Total number of issued shares                            | 20,200,000 | 20,200,000 | 20,200,000 | 20,200,000 | 20,220,000 |  | 20,237,500 | 22,057,500 | 22,077,500 | 22,077,500 | 22,141,100 | 22,209,900 |
| Non-financial indicators (Non-consolidated)              |            |            |            |            |            |  |            |            |            |            |            |            |
| Number of consolidated employees (Persons)               | 3,334      | 3,396      | 3,479      | 4,788      | 5,047      |  | 4,180      | 4,255      | 4,522      | 4,727      | 4,788      | 4,878      |
| Number of women in management positions*2 (Persons)      | 7          | 13         | 14         | 15         | 16         |  | 19         | 21         | 28         | 32         | 32         | 35         |
| (Ratio of women in management positions*3 (%))           | 2.8        | 4.9        | 5.0        | 4.9        | 5.3        |  | 6.4        | 7.1        | 9.2        | 10.2       | 11.4       | 11.8       |
| Average annual salary (yen)*4                            | —          | —          | —          | —          | —          |  | —          | —          | 7,412,204  | 7,194,496  | 6,618,912  | 6,803,017  |
| Gender wage gap (%)*5                                    | —          | —          | —          | —          | —          |  | —          | —          | —          | —          | 64.0       | 66.7       |
| Annual work hours per person (hours)                     | —          | —          | —          | —          | —          |  | —          | —          | 1,756      | 1,766      | 1,814      | 1,848      |
| Paid holiday usage rate*6 (%)                            | —          | —          | —          | 63.3       | 74.3       |  | 73.0       | 70.4       | 76.2       | 79.3       | 84.9       | 76.6       |
| Greenhouse gas emissions (Scope 1, 2, 3)*7 (t-CO2)       | 5,693      | 5,785      | 5,583      | 7,341      | 6,297      |  | 5,448      | 5,453      | 1,035,785  | 978,120    | 1,079,694  | 1,243,867  |
| Energy usage volumes (GJ)                                | 107,079    | 102,512    | 108,435    | 134,040    | 127,678    |  | 124,919    | 130,522    | 131,721    | 134,520    | 115,510    | 125,161    |
| Water usage volumes (water intake quantity)*8 (1,000 m³) | 43.5       | 42.6       | 48.3       | 77.6       | 81.2       |  | 93.2       | 103.4      | 97.5       | 101.6      | 98.0       | 123.2      |
| Industrial waste emission volumes (t)                    | 1,615      | 2,709      | 3,196      | 2,647      | 2,285      |  | 1,993      | 2,260      | 3,202      | 4,328      | 3,883      | 3,543      |

\*1 Sales to outside customers only.

\*2 Data up to 2022 refers to the number of females in manager-equivalent positions among executive officers (excluding directors, treated as executives up to 2017), full-time employees, and continuous employment contract employees as of December 31 of the relevant fiscal year. Data for 2023 refers to the number of females in manager-equivalent positions among full-time employees as of December 31, 2023.

\*3 Data up to 2022 is calculated as the number of females in manager-equivalent positions among executive officers (excluding directors, treated as executives up to 2017), full-time employees, and continuous employment contract employees as of December 31 of the relevant fiscal year divided by the total number and multiplied by 100%. Data for 2023 is calculated as the number of females in manager-equivalent positions among full-time employees as of December 31, 2023, divided by the total number and multiplied by 100%.

\*4 Average annual salary includes bonuses and non-standard wages.

\*5 Calculated based on the provisions of the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015).

\*6 Calculated as the total number of paid holiday days taken during the relevant fiscal year by all eligible employees, where eligible employees refers to those that have been granted paid holidays during the relevant fiscal year and were employed as of December 31 of the relevant fiscal year (excluding those on leave and seconded employees), divided by the total number of paid holiday days granted during the relevant fiscal year and multiplied by 100%.

\*7 Data prior to 2020 does not include Scope 3, and data for Scope 1 prior to 2018 does not include CFCs from the headquarters. Actual data for Scope 1 and 2 for the period ended December 31, 2023, is calculated using the coefficients following the legal revisions in April 2023.

\*8 Only plants, research facilities, the headquarters, and ActTerrace (not including tenant offices)

Glossary

| Term                                                                  | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer Service Department                                           | On April 1, 2021, we renamed the Customer Service Office the Customer Service Department. This department receives direct feedback from customers regarding products and the issues they face on a day-to-day basis, and plays the important role of accurately conveying this feedback to the responsible department. In order to further instill within the Company Earth Corporation's policy of creating a market with customers, this department was transferred to the direct control of the President in 2018.                                                                                                                                   |
| Earth ECO Standard                                                    | Earth Corporation's unique environmental standards for promoting the development of environmentally friendly products. Under the concepts of reducing CO <sub>2</sub> emissions, valuing limited resources, and factoring in every stage through to disposal, we formulated these standards with the explicit goal of achieving six of the 17 SDGs related to the environment and manufacturing.                                                                                                                                                                                                                                                        |
| EMAL                                                                  | Standing for Earth Merchandising Action Lady, this acronym refers to employees who create attractive sales floors and engage in in-store sales promotions from a customer perspective. Locally hired in regions throughout Japan, EMAL support the creation of sales floors and sales promotions in consideration of seasonal, weather, and other trends from a customer perspective, and from the standpoint of a consumer from their region of hire.                                                                                                                                                                                                  |
| Environmental Doctors                                                 | Staff possessing the latest knowledge on hygiene management and the related high-level technical capabilities. Having acquired knowledge and skills through a proprietary education and training program, and having built up extensive experience at various worksites, these staff diagnose the quality of hygiene management at customer worksites, identify problematic areas, prescribe improvement measures, and offer support for maintaining and improving the safety and security of environments while providing treatment and implementing preventative measures.                                                                            |
| Insecticides & Repellents                                             | Refers to products intended to exterminate or repel flies, mosquitoes, cockroaches, ticks, and other harmful insects. Despite their extremely high level of safety, however, consumers have tended to believe that insecticides are highly toxic. Moreover, in Japanese, “insecticide” is written using characters meaning “kill,” “insect” and “substance.” Therefore, in 2017, we began using the term “Mushi-Care” (Insecticides and Repellents in English) to insist on the protection from insects that our products offer to humans. The English name of the segment was also changed from “Insecticides” to “Insecticides & Repellents segment.” |
| Integrated Environmental Hygiene Management (Total Healthcare System) | A support service for hygiene management provided by Earth Environmental Service Co., Ltd. This integrated, systematic hygiene management support service is tailor-made for each customer based on Earth Environmental Service various management systems, as well as our unique technologies and expertise.                                                                                                                                                                                                                                                                                                                                           |
| Japan MA-T Industrial Association                                     | An open innovation platform that aims to explore the economic benefits of creating an industry from MA-T®, as well as its potential for solving the challenges faced by society.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| MA-T®                                                                 | Standing for Matching Transformation System®, this oxidation control system is based on an innovative technology developed in Japan. The MA-T System® can be used across a wide range of applications, including neutralizing viruses and sterilizing various types of bacteria by generating the necessary amount of aqueous radicals from chlorite ions at the required time and controlling the strength of activation.                                                                                                                                                                                                                              |
| SKU                                                                   | The acronym for Stock Keeping Unit, SKUs are used to classify products into the minimum unit for management purposes. SKUs are used to classify the same product by different sizes and package types, thereby easing ordering and inventory management.                                                                                                                                                                                                                                                                                                                                                                                                |
| TACO System                                                           | An acronym for Tactical Antenna for Consumers’ Opinions, this name was chosen given our desire to accumulate feedback from customers with a level of sensitivity equal to that of insect antenna, and to apply this feedback in product strategies. This unique customer service system was designed by Earth Corporation to swiftly and painstakingly respond to consultations and inquiries from customers. It also maintains data on inquiry details collected from customers and retail stores, which we then use to provide better products and services.                                                                                          |

Statement of Authenticity

On Issuing the Earth Corporation 2025 Integrated Report

Isao Goji

Senior Executive Officer and Director General of the Corporate Planning Headquarters

Earth Corporation has published an integrated report since 2024 in order to indicate to its investors and other stakeholders the Group’s approach to and initiatives for solving problems as it works to create value and achieve sustainable growth.

The “Integrated Report 2025” provides detailed information on progress under the Medium-Term Business Plan, Act For SMILE COMPASS 2026, including development and sales promotion strategies based on the customer’s perspective both in Japan and overseas, global market share growth, and human asset development initiatives that underpin each of these business activities. We hope this integrated report will also provide readers with a better understanding of the path we are taking to realize our corporate philosophy of “We act to live in harmony with the Earth.”

As a company with a century-old history, we will draw on the collective strengths of the Group and continue to respond flexibly to rapid changes in society while cherishing the values we have built up over the years. Looking toward the next 100 years, we will work to enhance our corporate value while creating new value in concert with stakeholders. Earth Corporation places the utmost importance on dialogue and is committed to upgrading and expanding the disclosure of information. To assist us in our endeavors, we would ask for your candid comments on this report.

Finally, this report was prepared primarily by the Corporate Management Department and CSR and Sustainability Promotion Department both under the Corporate Planning Headquarters. As the senior executive officer responsible for editing this report, I hereby declare that the production process was fair and that the content is accurate.

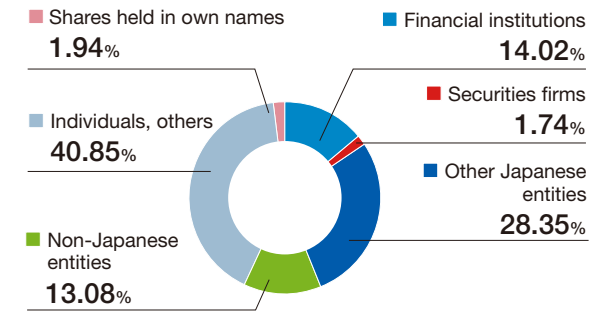
Company Overview

|                                     |                                                                                                                              |                           |          |                                                                                                                                                                                                                                                                                      |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                                | Earth Corporation                                                                                                            | Consolidated Subsidiaries | Domestic | • BATHCLIN Corporation<br><br>• Hakugen Earth Co., Ltd.<br><br>• Earth Pet Co., Ltd.<br><br>• PETFOOD KITCHEN CO., LTD.<br><br>• Earth Environmental Service Co., Ltd.<br><br>• PROTOLEAF, Inc.                                                                                      |
| Head office location                | 12-1, Kanda-Tsukasamachi 2 chome, Chiyoda-ku, Tokyo 101-0048, Japan                                                          |                           |          |                                                                                                                                                                                                                                                                                      |
| Founded                             | April 1, 1892                                                                                                                |                           |          |                                                                                                                                                                                                                                                                                      |
| Established                         | August 26, 1925                                                                                                              |                           |          |                                                                                                                                                                                                                                                                                      |
| Capital                             | 10,192.74 million yen                                                                                                        |                           |          |                                                                                                                                                                                                                                                                                      |
| Representative                      | Katsunori Kawabata, Representative Director, President & CEO                                                                 |                           | Overseas | • Earth (Thailand) Co.,Ltd.<br><br>• Earth Corporation (Shanghai)<br><br>• Earth Corporation (Tianjin)<br><br>• Earth Corporation (Suzhou)<br><br>• Earth Corporation Vietnam<br><br>• EARTH HOME PRODUCTS (MALAYSIA) SDN. BHD.<br><br>• EARTH HOMECARE PRODUCTS (PHILIPPINES), INC. |
| Business                            | Manufacturing, marketing, and import/export of pharmaceutical products, quasi-drugs, medical tools, household products, etc. |                           |          |                                                                                                                                                                                                                                                                                      |
| Employees (As of December 31, 2024) | Consolidated: 4,878<br>Non-consolidated: 1,393                                                                               |                           |          |                                                                                                                                                                                                                                                                                      |
| URL                                 | https://corp.earth.jp/en/                                                                                                    |                           |          |                                                                                                                                                                                                                                                                                      |
| Audit firm                          | Ernst & Young ShinNihon LLC                                                                                                  |                           |          |                                                                                                                                                                                                                                                                                      |

Stock Information (As of December 31, 2024)

|                                                |                                          |
|------------------------------------------------|------------------------------------------|
| Listed stock exchange                          | Prime Market of the Tokyo Stock Exchange |
| Stock code                                     | 4985                                     |
| Total number of shares authorized to be issued | 64,000,000 shares                        |
| Total number of shares issued                  | 22,209,900 shares                        |
| Number of shareholders                         | 30,877                                   |

Distribution of Shares per Shareholder Type



Major Shareholders (Top 10 shareholders)

| Name or Title                                                    | Number of Shares Held | Shareholding Ratio (%)* |
|------------------------------------------------------------------|-----------------------|-------------------------|
| Otsuka Pharmaceutical Co., Ltd.                                  | 2,200,000             | 10.10                   |
| The Master Trust Bank of Japan, Ltd. (Trust Account)             | 1,987,000             | 9.12                    |
| Otsuka Pharmaceutical Factory, Inc.                              | 1,948,500             | 8.94                    |
| Earth Corporation Employee Shareholding Association              | 1,060,300             | 4.86                    |
| Custody Bank of Japan, Ltd. (Trust Account)                      | 652,900               | 2.99                    |
| Taiho Pharmaceutical Co., Ltd.                                   | 600,000               | 2.75                    |
| HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND | 410,000               | 1.88                    |
| Otsuka Chemical Co., Ltd.                                        | 400,000               | 1.83                    |
| The Chugoku Bank, Ltd.                                           | 340,600               | 1.56                    |
| Otsuka Estate Co., Ltd.                                          | 239,370               | 1.09                    |

\* Ratio of shares held compared with the total number of shares issued, excluding treasury shares (432,335 shares)