

Chapter 4

Protecting “Comfort”

Value creation is supported by balancing risk management with social responsibility. In this chapter, we present the foundations that enable us to continue protecting “comfort” through our responses to climate change and environmental issues, product quality and safety, and sustainable procurement.

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Responding to Climate Change

Rising temperatures and extreme weather events caused by climate change may affect Earth Corporation’s business environment. While the expansion of pest habitats associated with rising temperatures may lead to increased demand for Insecticides & Repellents, heavy rainfall and typhoons may affect supply chain disruptions, raw material procurement, and manufacturing costs. We recognize that addressing these issues is an important management issue that will affect the continuation and growth of our business over the medium to long term.

Responding to Climate Change and Medium- to Long-Term Challenges

Earth Corporation recognizes climate change as an important issue that represents a risk to its business while also creating opportunities for new demand. To respond to these environmental changes, we are strengthening our capabilities across the business and, under our philosophy “We act to live in harmony with the Earth,” working with stakeholders to increase corporate value over the medium to long term. Specifically, we have identified CO₂ emissions reduction and the transition to renewable electricity as key priorities and are steadily advancing initiatives in these areas.

Materiality (key issues)	Key topics and main measures	Targets and KPI	FY2025 results
Responding to climate change	• Reduce CO ₂ emissions	Reduce CO₂ emissions: Compared to 2020 (Scope 1, 2) • 14% reduction (2023) • 28% reduction (2026) • 46% reduction (2030)	31.7% reduction
	• Promote a transition to renewable energy for electric power	Transition to renewable energy: • Renewable energy at plants (renewable energy rate: 60%) (2023) • Renewable energy at R&D Center (renewable energy rate: 90%) (2026) • Renewable energy at offices* (renewable energy rate: 95%) (2030) * Excluding tenant offices	Renewable energy rate 67.6%

Climate Change Measures as Risk Management

As a company whose origins lie in businesses related to insects, we recognize climate change as an important risk that is closely related to our business. Global warming may change the habitats and emergence periods of pests, resulting in fluctuations in peak demand for our core Insecticides & Repellents products and instability in sales planning. In addition, the intensification of heavy rainfall and typhoons associated with global warming increases the risk of sediment inflows into manufacturing sites located adjacent to mountains, which could result in acute business impacts such as production stoppages and recovery costs. Furthermore, climate change-related disruptions in global supply may cause increases in the prices of palm oil and plastic raw materials, leading to higher costs and supply instability.

To address these complex risks, we are working to stabilize our business foundation through product development, supply chain management, and strengthening business continuity.

Basic Approach and Promotion Framework

Based on its philosophy, Earth Corporation conducts its business activities in harmony with the global environment. The Company has established the Sustainability Committee, which discusses the formulation of policies, development of strategies, and establishment of targets and indicators for responding to climate change. The content of these discussions and the status of the Committee’s activities are reported regularly to management.

Working Toward Carbon Neutrality

Supplier Engagement

Reducing GHG emissions across the entire supply chain is recognized as an important issue, and collaboration with suppliers is being strengthened. Key suppliers are identified based on Scope 3 emissions and their impact on business continuity, and focused engagement is conducted. In addition to visualizing emissions and sharing reduction targets, issues are shared through dialogue and a resilient supply chain is being built.

Reducing CO₂ Emissions in Logistics

To reduce environmental impact and improve transportation efficiency in logistics, joint transportation in collaboration with multiple companies has been implemented since fiscal 2024, resulting in improved loading efficiency and a reduction in the number of vehicles. This initiative has also contributed to reducing CO₂ emissions and driver working hours.

Third-Party Verification

GHG emissions (Scope 1, 2, and 3) are calculated for the entire Earth Group, and third-party verification is obtained to ensure accuracy. Going forward, climate change responses will be further strengthened, and the Earth Group’s GHG emissions will be disclosed while carbon footprint calculations and initiatives to reduce emissions will be implemented.



Concern for Issues Affecting the Global Environment

Addressing global environmental issues is an essential medium- to long-term challenge for the continuity of our business. In particular, constraints on water resources and the strengthening of environmental regulations may affect production and raw material procurement, requiring responses that encompass our overseas operations and supply chain. In light of these environmental changes, we aim to achieve both the reduction of environmental impact and the realization of a sustainable society throughout our business activities.

Attention to Global Environmental Problems and Medium- to Long-Term Challenges

Addressing global environmental issues is an important challenge that is closely linked to our materiality. We are focusing on improving water-use efficiency in manufacturing through the effective use of water resources, optimizing resource utilization toward the realization of a circular society, and expanding environmentally friendly products based on the Earth ECO Standards. We will also contribute to the realization of a sustainable society by reducing our environmental impact while pursuing business growth, including consideration for biodiversity.

Materiality (key issues)	Key topics and main measures	Targets and KPIs	FY2025 results
Attention to global environ- mental problems	• Increase the efficiency of water usage in relation to production (from R&D to production)	Increase water usage efficiency: Compared to 2020 • 3% increase (2023) • 6% increase (2026) • 10% increase (2030)	1.7% increase
	• Use resources effectively, striving for a recycling oriented society	Zero emission of industrial waste and other materials from plants and R&D Center (final disposal rate less than 1%) • Investigate and review status at waste treatment sub-contractors (2023) • Zero emissions at plants and R&D Center (2026) • Continue zero emissions at plants and R&D Center (2030)	Final disposal rate: 0.7%
	• Stipulate Earth ECO Standards, and expand the scope of environmentally friendly products	• Establish Earth ECO Standards (2023) • Expand the scope of products compatible with Earth ECO standards and promote information disclosure (2026 and 2030)	A system for managing environmentally friendly products is currently under development. More details will be disclosed from 2026 onward.

Climate Change Measures as Risk Management

We view addressing global environmental issues not merely as a cost, but as an initiative that enhances the sustainability and competitiveness of our business. Constraints on water resources and stricter environmental regulations may lead to risks such as production disruptions, procurement instability, and higher costs. At the same time, appropriate responses contribute to improving supply stability and maintaining and enhancing brand value. In particular, initiatives to reduce water consumption, enhance wastewater management, and ensure the stable procurement of raw materials are directly linked to strengthening the foundation of our manufacturing operations. Furthermore, by reducing environmental impacts across the entire supply chain, we seek to minimize risks and improve efficiency in procurement, production, and logistics. We will continue to strengthen our business foundation through our environmental initiatives.

Strengthening the Environmental Management System

Our environmental management is implemented through collaboration among departments and integrated into day-to-day operations, while Group-wide environmental meetings are used to share and promote initiatives across the organization. In August 2025, the Sakoshi Plant, Ako Plant, and Research Institute transitioned their environmental management systems to the international standard ISO 14001. Going forward, we will continue to undergo annual audits by a certification body and enhance the system by operating the PDCA cycle.

Reduction and Recycling of Water Use

Effective use of water resources is an important issue in addressing global environmental challenges, and we have established improving water use efficiency as a materiality target. By switching certain products to air cleaning methods and reducing the frequency of production line cleaning through the optimization of production planning, we are working to reduce water consumption and improve production efficiency.

Risk Assessment of Water Stress (Water Resource Depletion)

Using the World Wide Fund for Nature (WWF)’s Water Risk Filter (WRF), we conducted a risk assessment of water stress (water resource depletion) at all of our sites. Using “water depletion risk” in the river basin where each site is located as an indicator, we evaluated the impact of water shortages on our business activities on a five-level scale and confirmed that the risk level at all sites was either “low” or “very low.”

Participation in Initiatives for Water Resource Conservation and Effective Utilization

We collaborate with other member companies of the Ako City Environmental Conservation Council on initiatives related to environmental issues, including water conservation. We also participate in the Waterside Environment Platform, established as the successor to the Ministry of the Environment’s Water Project to promote sustainable local communities through the use and conservation of healthy water environments by collaboration among industry, government, academia, and citizens, as well as the Clean Ocean Material Alliance (CLOMA), which works to address the issue of marine plastic pollution.

Concern for Issues Affecting the Global Environment

Chemical Substance Management

Earth Corporation provides products and services that contribute to improved sanitary environments and comfortable living in order to achieve harmony with the Earth and all forms of life. We strive to improve quality and safety and provide appropriate information in order to earn the trust of our customers while balancing safe protection from harmful insects with consideration for ecosystems. Given the nature of our products, the proper management of chemical substances is an important responsibility. We ensure strict compliance with applicable laws and regulations and manage chemical substances based on the latest information regarding their impact on people and the environment. We also promote the substitution of substances of concern and the reduction of their use.

Response to Regulations

In some overseas markets, the use of VOC components with carcinogenic, mutagenic, or reproductive toxicity risks in household products is prohibited or restricted. In particular, the United States and Hong Kong strictly regulate VOC content to prevent air pollution and protect public health. To comply with these regulations, we are actively reducing the use of alcohol and propellant gases that serve as key formulation ingredients and switching to alternative substances. Specifically, we are developing aerosol sprays with reduced gas content and gas-free pump-type products, while also pursuing low-alcohol formulations with lower environmental impact, thereby developing products that comply with the standards of each country.

As of 2025, a total of 16 products have adopted low-VOC formulations. We have accumulated proprietary know-how that enables us to comply with VOC regulations while reliably maintaining product performance. Leveraging this expertise, we will expand environmentally and health-conscious products not only in specific countries but also in a wider range of markets around the world.

 Chemical Substance Management (in Japanese)
https://corp.earth.jp/jp/sustainability/environment/chemical_substance/index.html

Promoting the Reduction of Environmental Impact Across the Value Chain

Earth Corporation recognizes the reduction of environmental impact through the effective use of resources and the reduction of waste as a key issue. As environmental impacts arise throughout the value chain—from raw material procurement and manufacturing to logistics and disposal—increasing resource constraints and stricter environmental regulations may affect business continuity and cost structures. Accordingly, we are promoting the optimization of

resource use and circular manufacturing while advancing initiatives to incorporate environmental considerations from the product design stage.

Environmentally Friendly Products: Earth ECO Standards

To promote environmentally conscious manufacturing, Earth Corporation has established its own Earth ECO Standards. These standards organize and visualize initiatives to reduce environmental impact, such as reducing plastic use and utilizing recycled materials in products. Products that meet the standards are marked with the Act For ECO logo to clearly communicate this to customers.

 Earth ECO Standards (in Japanese)
<https://corp.earth.jp/jp/sustainability/environment/eco/index.html>



The symbol mark represents the corporate slogan, “Making the Earth a home that feels good.”

Visualizing Environmental Considerations to Accelerate Sustainable Product Development

Beginning in 2026, we fully introduced Earth Eco-Pass, a product environmental information management system that visualizes the environmental impact of products and components. This system serves as a foundation for strengthening environmental standards and improving transparency across our supply chain, which encompasses an extensive product lineup. By centrally managing information such as resource consumption and the use of environmentally friendly materials on a product-by-product basis, the system enables prompt and accurate decisions regarding the assignment of environmental labels and the Act For ECO mark. Furthermore, by utilizing accumulated data, we are achieving environmental considerations from the upstream design stage, including replacing components with high environmental impacts with alternative materials. Going forward, we will also integrate chemical substance data to enable more advanced environmental and safety management.

Results of Environmentally Friendly Product Initiatives

In fiscal 2025, 275 SKUs met the Earth ECO Standards and carried the Act For ECO logo. Products bearing the Act For ECO logo accounted for 29% of total sales.

We will continue to review product designs and contribute to the effective use of resources and the realization of a circular society.

Other results for products using environmentally friendly packaging materials	
•	Products using recycled plastic: 81 SKUs
•	Refill products: 65 SKUs
•	Products bearing the FSC certification mark: 315 SKUs
•	Products using recycled paper: 582 SKUs

Concern for Issues Affecting the Global Environment

Consideration for Biodiversity

To achieve a nature-positive future and promote initiatives for the conservation, restoration, and enhancement of biodiversity, we have established a Biodiversity Policy under our Environmental Policy. Based on international developments in biodiversity conservation, this policy sets forth our commitment to identifying biodiversity-related risks and opportunities, as well as dependencies and impacts across the supply chain, and to contributing to the avoidance and mitigation of biodiversity loss and to restoration and regeneration.

To prevent biodiversity loss, we will promote initiatives for the conservation and sustainable use of biodiversity throughout the Company and across the supply chain, in cooperation with stakeholders and in accordance with our corporate philosophy.

We also support the TNFD Forum, the 30by30 Alliance, and the Japan Business Initiative for Biodiversity (JBIB), and work with governments, regulatory authorities, and other stakeholders to advance biodiversity conservation.

 Biodiversity Policy (in Japanese)

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

Our Commitment to Biodiversity Conservation

As a manufacturer of insect care products, we aim not to eliminate living creatures indiscriminately but to control insects that enter human living spaces using the minimum necessary amount of agents. Insects play an important role in supporting biodiversity, and because our business also benefits from them, we seek to contribute to creating an environment where living organisms can thrive. In addition, we place importance not only on protecting biodiversity but also on applying our knowledge of insects to solving social issues. As a company with specialized knowledge and technologies, we believe it is our responsibility to give back to society through these capabilities. Based on this philosophy, we are creating unique value through the integration of “biodiversity × research and development × social implementation.”

Earth Corporation’s Unique Approach to Biodiversity

Protecting the Natural Environment: Conservation of Earth Sakoshi Forest

Our Sakoshi Plant in Ako City, Hyogo Prefecture, one of our principal manufacturing sites, is adjacent to the Seto Inland Sea and Setonaikai National Park and includes 6.5 hectares of green space on its premises. We call this lush green area Earth Sakoshi Forest.

To demonstrate that factories, research facilities, and nature can coexist, we began administering surveys in 2023. As a result, we confirmed that a wide variety of living organisms inhabit

the area and that its rich natural environment has been preserved. Consequently, it was certified as a Nature Coexistence Site in March 2024. Going forward, through initiatives such as Earth Sakoshi Forest, all of our employees will continue working together to promote biodiversity conservation and restoration.



Earth Sakoshi Forest (in Japanese)

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



Establishment of the Invasive Insect Species Countermeasures Team

In recent years, awareness of biodiversity has increased, and corporate initiatives in this area have continued to expand. Biodiversity conservation encompasses both the protection of native species and measures to address invasive species, and the development of international frameworks and legal systems has made it easier for companies to engage in these efforts. To leverage our expertise as a manufacturer of insecticides and repellents, we established a team dedicated to addressing invasive insect species in April 2025.

Going forward, we will focus on research and surveys, public awareness and education, and eradication and prevention measures. By leveraging our expertise and research capabilities and collaborating with specialists and other stakeholders, we aim to help address challenges related to invasive species.



Measures to address invasive species (in Japanese)

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

Conserving Insect Species by Leveraging Our Breeding Expertise

Various species exist on Earth and form diverse ecosystems, but once a species becomes extinct, it can never be brought back. Rare species, including endangered species, often have small populations, limited habitats, and high vulnerability to environmental change. It is therefore essential to prevent further population decline and habitat degradation. Earth Corporation is also engaged in activities to conserve insect species at risk of extinction.



Kobanmushi, an insect species targeted by Earth Corporation's conservation efforts



Conservation of rare species using Earth Corporation's rearing technologies (in Japanese)

<https://corp.earth.jp/jp/sustainability/environment/biodiversity/pdf/03-1.pdf>

Information Disclosure Based on the TCFD and TNFD Recommendations



Information Disclosure Based on the TCFD and TNFD Recommendations (in Japanese) <https://corp.earth.jp/jp/sustainability/environment/tcfd/index.html>

Nature-related issues, including climate change and biodiversity loss, represent significant risks to business continuity while also constituting important management issues that create new value and growth opportunities. Through collaboration with stakeholders, Earth Corporation aims to achieve both a sustainable society and the enhancement of corporate value over the medium to long term. In July 2026, based on the recommendations of the TCFD and TNFD, we disclosed our initiatives and analyses regarding climate change and nature-related issues.

Governance

Policies, plans, and initiatives related to climate change and nature-related matters are reviewed, discussed, and approved by the Sustainability Committee, chaired by the Representative Director, President & CEO, and are subsequently reported to the Board of Directors. The Board of Directors receives reports from the Representative Director, President & CEO and the Sustainability Committee and exercises oversight and supervision.

The Sustainability Committee deliberates on climate change and nature-related matters as sustainability issues and submits its recommendations to the Board of Directors. Under the Sustainability Committee, the Sustainability Promotion Subcommittee has been established to advance initiatives, discuss and share information on climate change and nature-related issues, and promote Company-wide efforts to address these challenges.

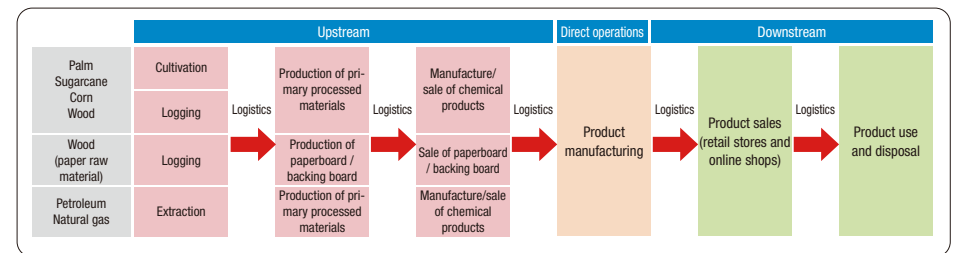
Governance structure



Strategy

The Group applied the LEAP approach*1 recommended by the TNFD to its household products business, identifying key raw materials and business activities with significant relationships to nature and assessing its dependencies and impacts on nature. As shown below, we mapped our interactions with nature across the entire value chain, from raw material procurement through disposal, and identified the risks and opportunities associated with each stage.

*1 The LEAP approach is an integrated framework for assessing nature-related issues, including interactions with nature, dependencies, impacts, risks, and opportunities. It consists of four steps: Locate, Evaluate, Assess, and Prepare.



Application of the LEAP Approach

Locate: identifying interfaces with nature

We identified areas with strong interactions with nature by assessing the locations of our Group's operations and the sourcing regions for key raw materials. We confirmed flood risks in East and Southeast Asia, water quality risks in China, and significant biodiversity impacts in certain regions, including Indonesia. At the same time, we recognize that changes in pest habitats due to rising temperatures and the proliferation of viruses and bacteria may increase demand for insecticides and repellents and products that help reduce infection risks.

Evaluate: assessing dependencies and impacts

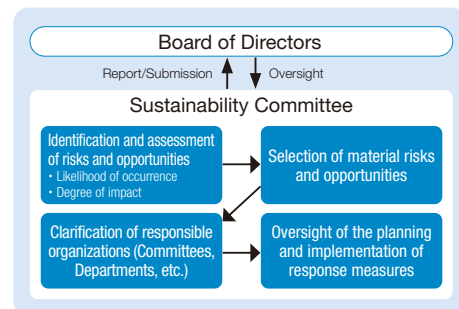
Using ENCORE,*2 we assessed our dependencies on and impacts on nature. The assessment confirmed that agricultural cultivation and logging are highly dependent on nature's regulating functions, such as climate, water, and soil, while resource extraction, manufacturing, and logistics have the potential to exert significant impacts on the natural environment. We will continue to enhance the accuracy of our analyses while advancing our response to nature-related issues.

*2 ENCORE is a tool used to visualize how business activities depend on and may impact nature, and how environmental changes may create business risks.

Risk Management

The Group recognizes climate change and natural capital-related issues as both "risks" and "opportunities" that could have a significant impact on its management strategy. To manage company-wide risks and opportunities, including these issues, in an integrated manner, we have established the Sustainability Committee. The Committee identifies and assesses risks and opportunities affecting the Group and selects material risks and opportunities based on the results of those assessments. It also clarifies the organization responsible for each risk and opportunity (such as committees and departments) and oversees the planning and implementation of response measures. Furthermore, the status of these risk management activities is regularly reported and submitted to the Board of Directors for review.

Risk management structure and process



Information Disclosure Based on the TCFD and TNFD Recommendations

Assess: assessing risks and opportunities

We identified and assessed nature-related risks and opportunities and organized transition risks arising from factors such as tighter environmental regulations and market changes, physical risks resulting from climate change and environmental degradation, as well as potential business opportunities, as shown in the table below. In addition, each risk and opportunity has been evaluated from the perspectives of potential financial impact, likelihood of occurrence, and timing of manifestation, and we are analyzing their implications for future business activities.

Assessment of risks and opportunities

Risk category	Risk and opportunity names	Impact level	Likelihood of occurrence	Time horizon for manifestation	Key related processes	
Transition risks	Policy and Regulation	Higher prices of agricultural products and timber due to environmental regulations	Low	High	Medium / Long term	(Upstream) Cultivation (Upstream) Timber harvesting
		Higher prices of oil and natural gas due to environmental regulations	Low	Low	Medium / Long term	(Upstream) Extraction
		Higher prices of purchased goods due to environmental regulations	Low	Low	Medium / Long term	(Upstream) Manufacturing of primary processed products (Upstream) Manufacturing of chemicals (Upstream) Manufacturing of paperboard / backing board
		Higher logistics costs due to environmental regulations	Medium	Medium	Medium / Long term	(Upstream) (Downstream) Logistics
		Higher product manufacturing costs due to environmental regulations	High	Medium	Medium / Long term	(Direct operations) Product manufacturing
	Market	Decrease in sales due to changes in customer preferences	Low	Low	Medium / Long term	(Downstream) Product sales
	Technology	Higher raw material prices due to increased demand for biomass fuel	Low	Low	Medium / Long term	(Upstream) Cultivation
	Reputation	Decline in ESG rating	Low	Low	Medium / Long term	Entire value chain
		Reputational damage due to environmental destruction upstream in the value chain	Medium	Medium	Short / Medium / Long term	(Upstream) Cultivation (Upstream) Timber harvesting (Upstream) Extraction
	Liability	Occurrence of environment-related litigation	Low	Low	Medium / Long term	—
Physical risks	Acute, chronic	Higher prices of agricultural products and timber due to degradation of ecosystem services	Low	High	Short / Medium / Long term	(Upstream) Cultivation (Upstream) Timber harvesting
		Water shortages in oil and natural gas extraction	Low	Medium	Short / Medium / Long term	(Upstream) Extraction
	Acute	Manufacturing disruptions at suppliers due to storms and floods	Low	Medium	Short / Medium / Long term	(Upstream) Manufacturing of primary processed products (Upstream) Manufacturing of chemicals
		Disruptions to logistics networks due to climate change	Low	High	Short / Medium / Long term	(Upstream) (Downstream) Logistics
		Manufacturing disruptions at the Company's own plants due to storms and floods	High	High	Short / Medium / Long term	(Direct operations) Product manufacturing
	Chronic	Increase in electricity costs due to rising temperatures	Low	High	Medium / Long term	(Direct operations) Product manufacturing
		Increase in labor costs due to rising temperatures	Low	Low	Medium / Long term	(Direct operations) Product manufacturing
	Opportunities	Resource efficiency	Cost savings through improved resource efficiency	Medium	High	Medium / Long term
Products and services / Markets		Increase in sales of environmentally friendly products	Medium	Low	Medium / Long term	(Downstream) Product sales
		Increase in demand for certain products due to rising temperatures	High	Medium	Medium / Long term	(Downstream) Product sales
Reputational capital		Improvement in ESG ratings	Low	High	Short / Medium / Long term	Entire value chain
Capital flows / Financing		Diversification of financing methods	Low	Medium	Short / Medium / Long term	Entire value chain

Short: 2026 Medium: 2030 Long: 2050

Prepare: preparing to respond and report

We are implementing initiatives across our value chain to address the nature-related risks and opportunities identified through the Assess phase.

In the upstream portion of our value chain, we regard the promotion of sustainable raw material procurement as a key priority. We are expanding the use of certified paper and strengthening our approach to raw materials with environmental and human rights considerations, such as palm oil. In addition, through supplier questionnaires and dialogue based on our Sustainable Procurement Policy, we are working to enhance sustainability throughout the supply chain. Looking ahead, we plan to further strengthen engagement with key suppliers by considering on-site visits and audits.

▶ P.50 Sustainable Procurement

In our direct operations and logistics, we are working to reduce GHG emissions, water consumption, and waste while advancing the sophistication of chemical substance management. In addition, we are developing business continuity plans (BCPs) and conducting education and training programs to prepare for natural disasters associated with climate change, such as floods and storms. We are also promoting initiatives aimed at fostering harmony between people and nature, including the establishment of a Biodiversity Policy, registration of a Nature Coexistence Site, and measures to address invasive insect species.

▶ P.42 Responding to Climate Change ▶ P.43 Concern for Issues Affecting the Global Environment ▶ P.64 Risk Management

In the downstream portion of the value chain, we promote the development of environmentally friendly products based on the Earth ECO Standards. We are reducing environmental impacts throughout the product lifecycle by promoting initiatives such as refill products and the use of recycled materials. In response to social issues such as increased demand for Insecticide & Repellent products due to rising temperatures and heightened infection risks, we are strengthening stable supply systems and expanding products utilizing the MA-T System®.

▶ P.43 Concern for Issues Affecting the Global Environment ▶ P.48 Providing Products and Services That Contribute to Safe and Comfortable Living

Metrics and Targets

We have identified responses to climate change, attention to global environmental problems, and the promotion of sustainable procurement as material issues and have established targets for reducing GHG emissions, increasing the use of renewable energy, improving water use efficiency, achieving zero emissions, and increasing the use of certified paper products. We also monitor various metrics, including GHG emissions, to quantitatively measure and manage the progress of these initiatives. Furthermore, taking into account the global core disclosure metrics recommended by the TNFD, we are working to visualize both our impacts on and dependencies upon the natural environment arising from our business activities. Going forward, based on the results of our LEAP analysis, we will continue to enhance our metrics and targets and further improve our disclosures.

▶ P.15 Materiality

Providing Products and Services That Contribute to Safe and Comfortable Living

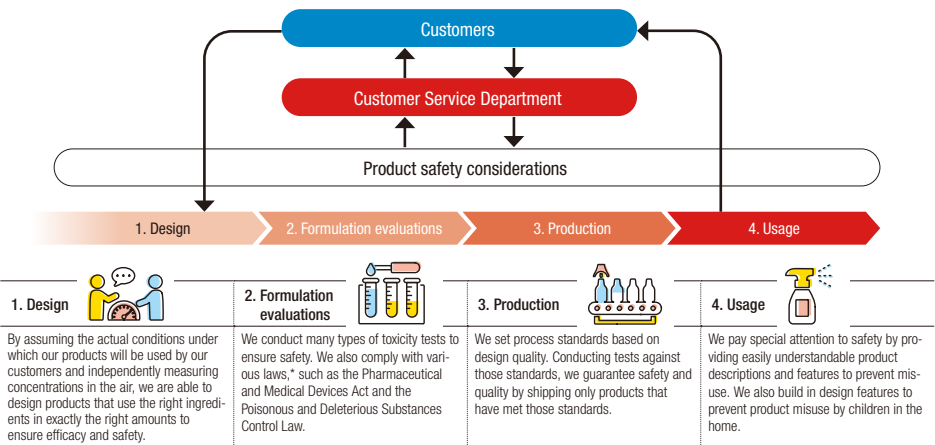
For Earth Corporation, our most important social responsibility is to continue providing high-quality, safe, and reliable products and services from the customer’s perspective. We recognize that consistently fulfilling this social responsibility is an essential prerequisite for preserving and enhancing corporate value and serves as the foundation of our corporate value.

Materiality (key issues)	Key topics and main measures	Targets and KPIs	FY2025 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	Periodic quality inspection implementation rate: • Maintain at 100% (2023, 2026, and 2030)	100% (36 sites / 36 sites)
	• 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	Education and training implementation rate: • Maintain at 100% (2023, 2026, and 2030)	100% (27 sessions / 27 sessions)

Basic Approach and Promotion Framework

At Earth Corporation, we regard the continued provision of high-quality, safe, and reliable products and services from the customer’s perspective as one of our most important social responsibilities. We recognize that consistently fulfilling this responsibility forms the foundation of our corporate value.

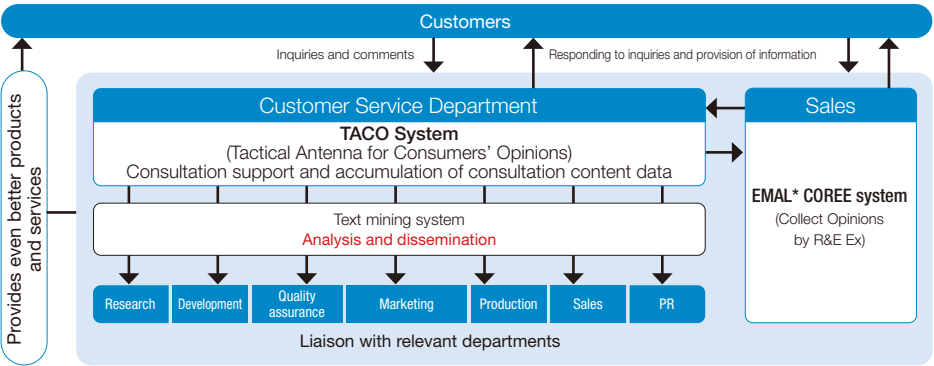
We also operate our unique Quality Management System, which incorporates quality control in compliance with applicable laws and regulations, and pursue quality thoroughly until the moment our products are used, thereby building a brand trusted by customers around the world.



* 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.

System for Leveraging Customer Feedback

Approximately 80,000 customer comments are received annually through the Customer Service Department. These comments are accumulated and analyzed as important pointers using the TACO System and are utilized for product development and quality improvement. We analyze customer feedback in detail and regularly hold meetings to raise issues and share information with relevant departments. In addition, once a year, we hold a meeting attended by the President and other members of senior management to discuss improvements to products and services with the customer’s perspective as the top priority.



Enhancing Information Provision and Improving Reliability for Customers

To promptly address the inquiries and concerns most frequently raised by customers, we continue to enhance the Product Q&A section on our website. Through continuous improvements, such as making frequently searched information easier to find, the number of inquiries received by telephone has declined while the use of web-based information has increased, enhancing customer convenience. We also conduct ongoing customer satisfaction surveys of users of our customer service channels to monitor the quality of our customer support. In the fiscal 2025 survey, 87.9% of respondents indicated that they were “very satisfied” or “satisfied,” reflecting a high level of customer satisfaction.* We will continue to value our relationships with customers and provide services that achieve a high level of customer satisfaction.

*Based on an in-house survey conducted from June to July 2025. Number of valid responses: 1,452.

Providing Products and Services That Contribute to Safe and Comfortable Living

Initiatives That Value the Customer Perspective

One of our policies includes the phrase “Creating a Market with customers.” We place great importance on maintaining a customer-focused perspective. To ensure that all employees remain constantly mindful of this perspective, we distribute a Monthly Report summarizing customer feedback to all employees. In addition, once a year, we issue an Annual Report that compiles feedback on new products, positive comments from customers, and other customer input by product category, and share it internally.

Quality Assurance and Improvement

Raw materials used in our products are evaluated based on appropriate test items and methods. Our products are also tested in accordance with legally required test items and tests tailored to their functions.

We use a variety of inspection and analytical equipment for testing and are working to automate processes involving the treatment of large numbers of test samples with organic solvents and reagents in order to ensure test reliability, improve operational efficiency, and enhance the safety of testing personnel. For example, for samples used to measure the active ingredient content of ONPO bath salts, we worked directly with an external equipment manufacturer to design, build, and operate a proprietary automated processing system, contributing to reductions in the use of organic solvents and waste generated during testing. For factory hygiene management, we implement insect and rodent control measures utilizing the expertise of Earth Environmental Service Co., Ltd. In addition to requiring hairnets and using adhesive sheets, we conduct foreign matter inspections on production lines through visual inspections and metal detectors. Furthermore, factories and the Quality Assurance Department work together through quality control study sessions and quality audit reporting meetings to strengthen initiatives for quality improvement.

Column

Activities to Combat Insect-Borne Infectious Diseases Overseas

Addressing the global challenge of the spread of infectious diseases

As global warming and the globalization of human movement continue, the risk of vector-borne infectious diseases such as dengue fever is increasing around the world. These infectious diseases are social issues that directly affect people’s health and living environments, and Earth Corporation contributes to their prevention through its Insecticides & Repellents products.

Promoting product development and awareness activities tailored to the needs of each country

We promote product development tailored to the laws, regulations, and living environments of each country, as well as awareness activities aimed at preventing infectious diseases. Based on the prevalence of infectious diseases and market needs, we work with regulatory authorities to share information on safety and efficacy in order to rapidly introduce products suited to each region and improve the efficiency of the approval process.



Thailand

In collaboration with the Department of Disease Control of the Ministry of Public Health, we promote dengue fever prevention measures. As part of awareness activities conducted in conjunction with World Dengue Day, we distribute mosquito coils and insect repellents free of charge (approximately 1,000 to 1,200 items per day) and promote preventive actions, raising awareness of the importance of measures against vector-borne infectious diseases.



Vietnam

We provide free product distribution and conduct awareness activities at hospitals, nursing care facilities, daycare centers, and other locations. Although awareness of dengue fever is high, preventive behavior remains a challenge. By communicating specific preventive measures, we aim to encourage the adoption of preventive practices in daily life.

Earth as a “total infectious disease care company”

Earth Corporation views pest control not only as a means of eliminating discomfort but also as a means of protecting lives. By leveraging the expertise and technologies related to insects that we have cultivated over many years, we contribute to the prevention of infectious diseases and the realization of healthy living environments through products and awareness activities optimized for each region.

We also place importance on solving social issues through our business and promote product development rooted in the needs of each region. Products developed based on this approach can achieve market recognition and growth when their value is appropriately communicated. OASIS, marketed in Thailand, is one such example. Its design, tailored to local needs, has been well received and has also attracted interest from other countries.

Looking ahead, we will continue to strengthen our preparedness for emerging infectious disease risks and fulfill our mission as a “total infectious disease care company.”



Activities in Thailand

Sustainable Procurement

Through its business activities, Earth Corporation is committed to initiatives across the entire supply chain aimed at coexistence with the global environment and the realization of a sustainable society. Centered on our Sustainable Procurement Policy, we promote responsible procurement that considers the environment, human rights, and other factors, thereby contributing to business sustainability and the enhancement of social value.

Materiality (key issues)	Key topics and main measures	Targets and KPIs	FY2025 results
Promoting sustainable procurement	Promote procurement of environment-friendly packaging materials	Forest certified paper usage rate (by weight): - Usage rate: 10% or more (2023) - Usage rate: 30% or more (2026) - Usage rate: 70% or more (2030)	38.2%

Basic Approach and Policies

Based on its Sustainable Procurement Policy, Earth Corporation has established its Basic Purchasing Policy and Basic Logistics Policy and pursues sustainability in each process. For our business partners, we have established the Business Partner Code of Conduct, which sets out detailed behavioral guidelines, and request that they comply. As necessary, we ask our business partners to complete the CSR self-assessment questionnaire and conduct on-site inspections and audits. If significant deviations from the guidelines are identified or if there is no intent to make improvements, we will review the continuation of our business relationship.

 Sustainable Procurement Code of Conduct, Basic Purchasing Policy, Basic Logistics Policy (in Japanese)
https://corp.earth.jp/jp/sustainability/society/supply_chain/index.html

Identification of Business Partners with Significant Impact

To continue providing safe and reliable products to our customers, cooperation with a wide range of business partners is essential. To build a sustainable supply chain, we identify business partners with particularly significant impact based on the criteria below.

We emphasize dialogue with these business partners. Going forward, we aim to have our

- Impact on business**
We identify key business partners based on procurement volumes and transaction values for raw materials that have a significant impact on our business.
- Sustainability risks**
We identify business partners considered to be high risk by taking into account raw materials with significant environmental impacts, such as wood and palm oil, as well as potential risks related to human rights and labor practices.

personnel and members of the Sustainability Committee visit their sites directly and conduct audits based on international standards. We will continue discussions with them under close partnerships toward this goal.

Awareness Activities for Business Partners

As of December 2024, we have received responses to our CSR self-assessment questionnaire from 189 raw material suppliers and contract manufacturers out of our 209 business partners. Beginning in 2026, in addition to various forms of communication with our business partners, we have been conducting the Supplier Sustainability Questionnaire for suppliers that do business with the Earth Group and suppliers with significant impact. Through this questionnaire, we promote awareness of, endorsement of, and compliance with the Business Partner Code of Conduct and assess environmental, social, governance, and other sustainability-related matters to better understand the current situation. We provide feedback on the responses and conduct individual meetings with suppliers where issues are identified, working together toward improvement. We will continue striving to fulfill our social responsibilities throughout the supply chain and contribute to sustainable development.

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%

Sustainable Procurement

Building a Sustainable Value Chain

Close collaboration with the various business partners involved in our value chain is essential to continue delivering high-quality products and services to our customers. We build relationships of trust with our business partners and promote sustainable initiatives aimed at mutual growth.

Ensuring Stable Logistics

To address ongoing social challenges such as truck driver shortages caused by the declining working-age population and delivery delays resulting from reduced transportation capacity, we participate in the shared platform operated by Otsuka Warehouse Co., Ltd., a group company, to improve logistics efficiency. Collaboration with our business partners is essential to this initiative, and we are advancing it while fostering their understanding of our approach to sustainable procurement, including environmental matters.

Reducing Environmental Impact in Procurement

In procurement, we are changing raw material packaging specifications to reduce packaging waste generated at production sites. For example, large quantities of cardboard had previously been used in the procurement of Black Cap products. However, by reviewing the packaging configuration and using single-face corrugated sheets for the bottom and outer perimeter, styrene sheets, and stretch film on pallets, we have achieved a significant reduction in waste.

FSC® Certification

Under the materiality “Promoting sustainable procurement,” we have set a target for the use rate of FSC®-certified paper. Since 2020, we have switched all paper containers for Bath Roman products to FSC®-certified paper (paper made from wood sourced from responsibly managed forests or other materials that support the appropriate use of forest resources) and have been gradually expanding its use to other paper packaging materials. We will continue to engage in product development and raw material procurement so that we can provide environmentally responsible products to our customers.



Switching paper packaging materials to FSC®-certified paper

Human Rights Initiatives

We recognize child labor, forced labor, human trafficking, and similar practices in the supply chain as internationally unacceptable human rights violations. We have established our Sustainable Procurement Policy and Business Partner Code of Conduct, which incorporate respect for human rights, including consideration for fundamental human rights, prohibition of discrimination in employment and recruitment, respect for employees' human rights, and the exclusion of conflict minerals and raw materials that may cause social issues related to human rights or the environment. We communicate the Business Partner Code of Conduct to all of our business partners. In May 2021, we signed the United Nations Global Compact (UNGC) and were registered as a participating company.



Business Partner Code of Conduct (in Japanese)

https://corp.earth.jp/jp/sustainability/society/supply_chain/pdf/code-2025.pdf



Human Rights Policy

To respect fundamental human rights and promote related initiatives, we established the Earth Group Human Rights Policy in December 2023. All officers and employees recognize respect for human rights as an important social responsibility and strive to ensure it. We also promote initiatives based on the UN Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles to reduce human rights risks for all people involved in our business activities, including those in our supply chain.

Furthermore, based on the Earth Group Global Code of Conduct, we fulfill our responsibility to respect human rights not only by refraining from human rights violations ourselves, but also by preventing stakeholders from facilitating such violations.



Earth Group Human Rights Policy (in Japanese)

https://corp.earth.jp/jp/sustainability/society/human_rights/pdf/human_rights_policy.pdf

Implementation of Human Rights Due Diligence

Based on the UN Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles, we launched full-scale human rights due diligence in 2026 to identify and assess adverse human rights impacts within our Company, Group companies, and business partners. During fiscal 2026, we will implement measures to prevent and mitigate adverse impacts. Beginning in 2027, we will track and evaluate the effectiveness of these initiatives and promote information disclosure.