Chapter 5

Governance

Effective governance is the foundation of sustainable growth.
In this chapter, we highlight the governance practices that support the enhancement of corporate value through the supervisory function of the Board of Directors, our governance framework, risk management, and dialogue with stakeholders.

Contents

Executives (as of March 25, 2026)

Please refer to the Company's website for the brief profiles of Directors and Audit & Supervisory Board Members.
https://corp.earth.jp/en/company/officer/index.html

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

● 9/12 (75%)
● 157,400 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 Representative Director & Senior Managing 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

● 12/12 (100%)
● 1/2 (50%)
● 93,400 shares

Mar. 1994 Joined 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. President & Representative Director of Earth Pet Co., Ltd.
Mar. 2021 Representative Director, President & CEO of the Company, and Chairman of the Boards of Directors of each 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)
Feb. 2025 Chairman of the Board of Directors of PROTOLEAF, Inc. (present)

Yoshiyuki Furuya
Board Director, Senior Executive Vice President & COO

● 12/12 (100%)
● 53,300 shares

Mar. 1985 Joined the Company
Mar. 2014 Board Director, General Manager of Sales Planning Department, Sales Headquarters of the Company
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
Mar. 2026 Board Director, Senior Executive Vice President & COO of the Company (present)

Takeshi Shakata
Board Director, Executive Vice President in Charge of General Management and Special Sales Assignments from the President

● 12/12 (100%)
● 16,400 shares

Apr. 1988 Joined Kyushu Sangyo Kotsu Co., Ltd. (currently KYUSHU INDUSTRIAL TRANSPORTATION HOLDINGS CO., LTD.)
Aug. 1996 Joined Hisamitsu Pharmaceutical Co., Inc.
May 2019 Managing Executive Officer, General Manager of Phamaceutical 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
Mar. 2026 Board Director, Executive Vice President in Charge of General Management and Special Sales Assignments from the President (present)

Shogo Sanmaido
Board Director, Executive Vice President in Charge of General Management

● –*
● 18,100 shares

Apr. 1991 Joined the Company
Feb. 2015 Board Director of Bathclin Corp.
Mar. 2015 Board Director, General Manager of Corporate Planning Dept. of the Company
Mar. 2019 Board Director, General Manager of Corporate Management Dept. of Bathclin Corp.
Feb. 2020 Representative Director, President & CEO of Bathclin Corp.
Jan. 2026 Corporate Advisor of the Company
Mar. 2026 Board Director, Executive Vice President in Charge of General Management (present)

*Appointed as a Director of the Company effective March 25, 2026.

Harold George Meij
Outside Director

● 12/12 (100%)
● 1/2 (50%)
● 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
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)
Apr. 2021 Outside Director of Alinamin 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)

Major concurrent posts
Outside Director of Kewpie Corporation

Naoko Mikami
Outside Director

● 11/12 (92%)
● 2/2 (100%)
● 700 shares

Apr. 1983 Joined Ajinomoto Co., Inc.
Apr. 2007 Visiting Professor, Musashino University
Jan. 2010 Joined C'BON COSMETICS Co., Ltd.
Jun. 2019 Representative Director & Vice President, Executive Officer of C'BON COSMETICS Co., Ltd.
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

● 12/12 (100%)
● 2/2 (100%)
● 200 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)
Mar. 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

● 12/12 (100%)
● 2/2 (100%)
● 100 shares

Apr. 1986 Joined Tohmatsu Touche Ross Consulting Limited
Jul. 2000 Joined Asahi Arthur Anderson Limited
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. 2018 Outside Director of Sony Corporation (currently Sony Group Corporation)
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)
Mar. 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.

Executives (as of March 25, 2026)

Please refer to the Company's website for the brief profiles of Directors and Audit & Supervisory Board Members.
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Audit & Supervisory Board Members

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

Yasuhiko Murayama

Full-time Audit & Supervisory Board Member

● 11/11(100%)
● 6,700 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
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

● 11/11 (100%)
● 700 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

● 8/8* (100%)
● 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 Established 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

*Appointed as an Audit & Supervisory Board Member of the Company effective March 27, 2025.

Executive Officers

Senior Executive Vice President	Yoshiyuki Furuya
Executive Vice Presidents	Takeshi Shakata Shogo Sanmaido
Senior Managing Executive Officers	Takayuki Nagamatsu Hiroshi Kijima Toshitaka Ochi
Managing Executive Officers	Kentaro Sato Hiroyuki Taniguchi
Senior Executive Officers	Tsuyoshi Mitsuzuka Hiroyuki Matsushita Norio Horiyama Takumi Adachi Hiroyuki Kubo Kengo Yamashita Isao Goji Mikako Kawaguchi Akimasa Hirata Tomokazu Nohso
Executive Officers	Yasunori Sakamoto Yoshiaki Sakurai Akira Kaji Jun Hiramatsu Masaharu Wada Akira Yamauchi Shotaro Okada Morihiro Wada Hideo Koori Hiroyuki Ono Satoshi Ozawa Kouichi Kubo Keishi Matsumoto Yoichi Iwata Tomihiro Kobori Satomi Imada

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

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	Takeshi Shakata			○		○				
Board Director	Shogo Sanmaido	○						○		
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									○

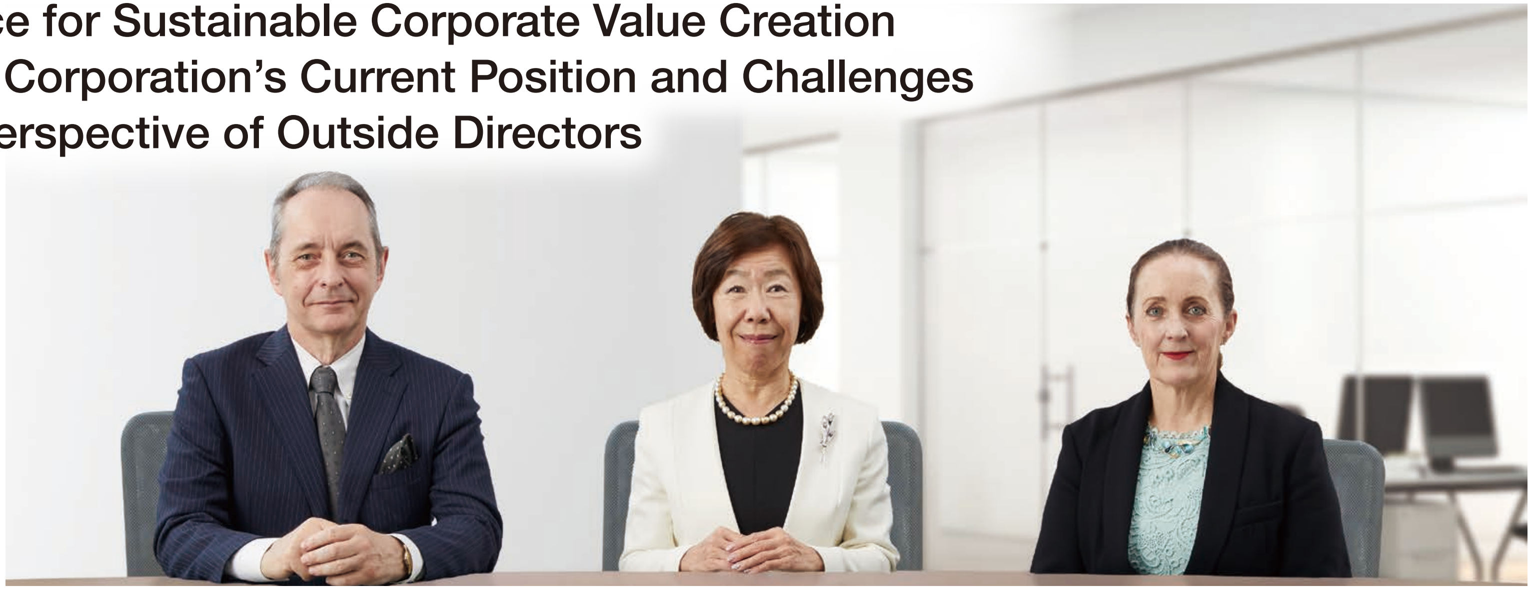
Reason for skill selection

The skills required of the Company's directors and Audit & Supervisory Board members, as well as the reasons for selecting these skills, are as follows.

		Skill category
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

Outside Directors' Roundtable Discussion

Governance for Sustainable Corporate Value Creation — Earth Corporation's Current Position and Challenges from the Perspective of Outside Directors



Harold George Meij Outside Director

Biography After completing a master's program at New York University, Mr. Meij engaged in brand strategy and marketing at companies including Heineken Japan K.K. and Nippon Lever K.K. (currently Unilever Japan K.K.). He subsequently served as Executive Officer of the Oral Care Division of Sunstar Inc., Executive Vice President of COCA-COLA (JAPAN) COMPANY, LIMITED, and Representative Director, President & CEO of TOMY COMPANY, LTD., contributing to management reform, business recovery, and enhancement of brand value. He possesses extensive knowledge of management, global brand strategy, and organizational reform.

Toshiko Oka Outside Director

Biography Ms. Oka holds an MBA from the Wharton School of the University of Pennsylvania and currently serves as a professor at the Graduate School of Global Business, Meiji University. She has served as President and Representative Director & CEO of Abeam M&A Consulting Ltd. (currently PwC Advisory LLC), Outside Director of Hitachi Metals, Ltd. (currently Proterial, Ltd.), and Outside Director of ENEOS Holdings, Inc. Through these roles, she has gained extensive experience in a broad range of fields, including corporate management in Japan and international finance, accounting, and M&A.

Ruth Marie Jarman Outside Director

Biography Ms. Jarman joined Recruit Co., Ltd. after graduating from the Department of International Relations at Tufts University in Boston. She currently serves as CEO of Jarman International KK. Through the company's consulting business, she has been involved in a broad range of areas, including management and sales strategies for globally operating companies and local governments, as well as support for the advancement of diverse talent. She also serves as an Outside Director of Fujibo Holdings, Inc. and KADOKAWA Corp., and as a Director of the Japan Association for Women's Education. In these capacities, she serves as a bridge between Japan and the rest of the world.

What role does the Board of Directors play in creating corporate value?

Meij: During the formulation of the medium-term business plan, I, as an Outside Director, placed particular emphasis on ensuring that the targets were clear and specific. Clear, measurable targets make it easier to track progress and enhance the effectiveness of the Plan. I encouraged the Company to establish indicators with defined numerical targets and timeframes, while keeping the key messages focused so they could be clearly communicated to investors and employees. I also appreciate the way the plan has been organized around three clear pillars: expanding overseas sales, improving profitability, and strengthening Group management.

Oka: Going forward, we need to take a more systematic approach to assessing the medium-term business plan and its progress. Currently, the Board actively discusses individual agenda items from the perspective of how each initiative contributes to achieving the plan. It is important to ensure that these separate discussions feed into the plan's overall implementation and periodic review, thereby strengthening the effectiveness of the Board's monitoring.

Jarman: The role of Outside Directors is to provide an objective, broad-based perspective on individual matters, confirm that the Company is moving in the right direction, and, where necessary, encourage course corrections to help achieve the medium-term business plan. In particular, on key issues such as overseas expansion, improving profitability, and creating Group synergies to enhance corporate value, advice from a broader perspective helps improve the quality of management decision-making.

Meij: The corporate value of a listed company is ultimately reflected in its share price. The targets set out in the medium-term business plan should therefore be evaluated in terms of how they contribute to enhancing corporate value. Outside Directors naturally take a longer-term perspective that is closely aligned with the interests of shareholders, while those within the Company may understandably be more focused on shorter-term priorities. That is precisely why it is important for leaders across different areas of the business to challenge one another's thinking and engage in deeper discussion.

Outside Directors' Roundtable Discussion

Oka: We look at the Company as a whole with the medium-term business plan as our point of reference. If the role and significance of each initiative within the plan are clearly articulated and understood by the Outside Directors, they can in turn be communicated effectively to investors. That is why clearly explaining those connections is so important.

How do you think the capital market views Earth Corporation's corporate value?

Meij: We have not yet had sufficient discussions about how the Company intends to enhance corporate value or what level it should aim to achieve. Explanations to date have focused largely on past performance, with insufficient attention paid to how the Company intends to create value in the future. Earth Corporation has many strengths that can drive future growth, including its long-established brands, proprietary technologies, and diverse human resources. Given the current share price, we also need to consider whether the value of these intangible assets is being properly recognized by the market.

Jarman: The Company provides detailed explanations of its performance through investor briefings and its website, and I appreciate the thoroughness of these efforts. However, these explanations tend to focus on individual matters and near-term initiatives, and the broader picture of where the Company is heading has not yet been communicated clearly enough to investors.

Oka: In considering capital policy and the Company's relationship with the stock market, it is important to take factors such as its shareholder composition into account. What matters most is clearly demonstrating how the Company will deploy its management resources and make decisions that enhance corporate value. Capital markets value a clear and consistent path to value creation. To support this, the Company must enhance transparency, including around its decision-making processes, so that investors can gain an accurate understanding of its business and management.

Jarman: For that reason, it is important for employees and others throughout the Company to understand how each of its initiatives contributes to corporate value and to be able to explain those connections in the context of its future vision.

How do you view the Company's growth prospects as it expands globally?

Meij: The Company has a high market share and strong brand recognition in Japan, supported by competitive products and sales capacities. However, as the Japanese market continues to mature, expanding our business globally will be essential to achieving sustainable growth. It will therefore become increasingly important to benchmark the Company against its competitors in global markets.

Jarman: To advance overseas expansion, we need to build an organization capable of succeeding in global markets by developing people with cross-cultural understanding and by recruiting and promoting talent with a global mindset. Data-driven approaches are already being adopted in product development and marketing, and it is also important to extend these practices across the Company.

Meij: We also need to develop global talent by recruiting people overseas, giving them opportunities to gain experience in Japan and deepen their understanding of Earth Corporation's philosophy, and then enabling them to return to their home countries and take on key roles. To create this kind of talent pipeline, the Company must first become an employer of choice. Few companies anywhere in the world have remained in business for more than 100 years, and this is a major strength of Earth Corporation. Communicating this history and raising awareness of the Earth Corporation brand will also help overseas investors gain a better understanding of the Company.

Oka: Over the medium to long term, the very structure of the industry is likely to change. In that environment, what matters is not simply competing for market share, but identifying the markets in which we can establish a distinctive position and ultimately take a leading role in the industry. Initiatives such as MA-T®, which take a broader, industry-wide perspective, demonstrate the direction we should pursue.

What role should the Board of Directors play going forward, and what are your expectations for enhancing corporate value?

Jarman: The Company's Board of Directors includes Outside Directors from diverse backgrounds, who contribute perspectives grounded in their respective areas of expertise. Their views are increasingly reflected in discussions on individual matters, gradually improving the quality of decision-making.

Oka: At the same time, there is still considerable room to improve the effectiveness of governance. Although the necessary framework is now largely in place, further efforts are needed to ensure that decision-making processes and committee discussions function as intended.

Meij: As Outside Directors, it is important to look beyond the numbers when considering individual matters and offer views that also take account of the underlying strategy and the intentions of the parties involved. Such perspectives have improved the quality of the discussion, and I intend to continue bringing them to the table.

Jarman: Looking back over the past year, I have seen management become even more receptive to the views of the Outside Directors. One example that particularly stood out to me was the way Ms. Oka's advice was carefully considered during discussions on investment projects, and I believe it had a real influence on the final decision.

Oka: Earth Corporation already has a strong foundation. As the Company broadens its perspective to include a wider range of stakeholders, including overseas investors, it will naturally begin to change. I believe there is ample scope for that change to translate into greater corporate value.

Corporate Governance

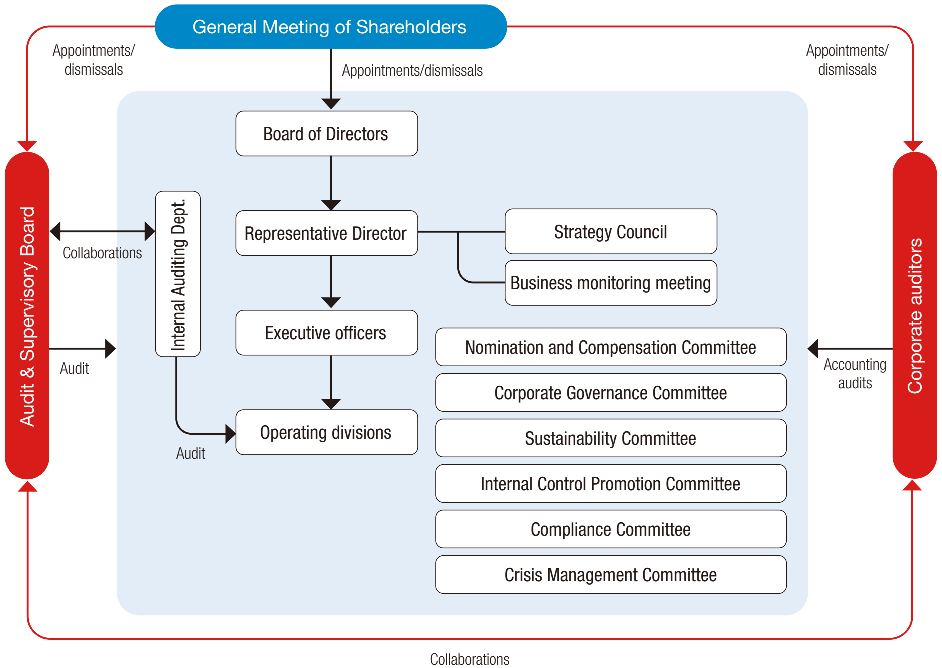
Corporate Governance Structure

Basic Approach

Based on its corporate philosophy, "We act to live in harmony with the Earth," Earth Corporation is committed to providing valuable products and services from the customer's perspective. Recognizing the enhancement of corporate governance as one of its key management priorities, the Company strives to earn the trust of society by promoting prompt decision-making, appropriate oversight, and proactive information disclosure.

To achieve this, Earth Corporation has established a decision-making framework centered on the Board of Directors and the Strategy Council, while enhancing transparency through monitoring by outside directors and Audit & Supervisory Board members. In addition, the Audit & Supervisory Board, the Internal Auditing Department, and independent accounting auditors work closely together to maintain a highly effective corporate governance system.

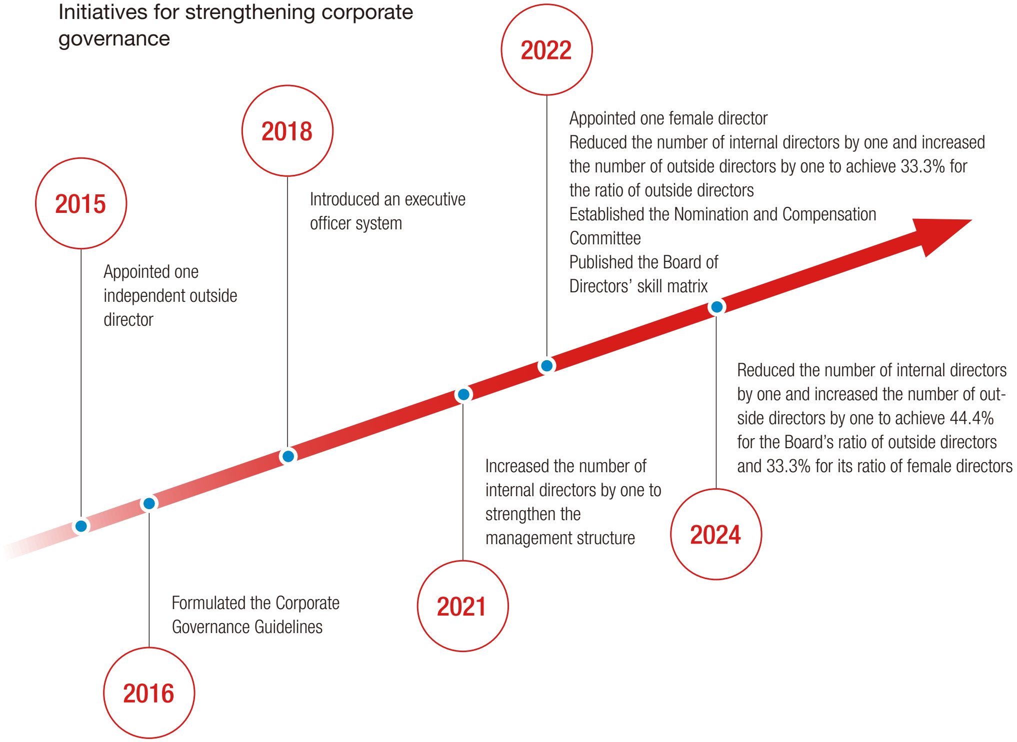
Corporate Governance Structure



Initiatives for Strengthening Corporate Governance

Earth Corporation has continuously strengthened its corporate governance system with the aim of revitalizing the market through the provision of valuable products and services and becoming a company trusted by its stakeholders. Emphasizing prompt and transparent decision-making, the Company has implemented a wide range of initiatives, including the appointment of independent outside directors, the establishment of governance guidelines, the introduction of the executive officer system, revisions to the composition of the Board of Directors, the expansion of female and outside directors, and the establishment of the Nomination and Compensation Committee. Through these initiatives, Earth Corporation has enhanced the transparency and objectivity of management and established an effective corporate governance system.

Initiatives for strengthening corporate governance



Corporate Governance

Roles of related bodies

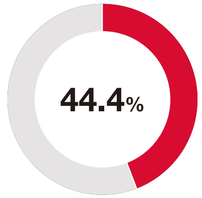
	Composition	Roles	Major matters discussed
Board of Directors	9 directors, including 4 outside directors	• Deliberates and resolves important management matters. • Ensures independence and objectivity by maintaining that at least one-third of the Board consists of independent outside directors. • Provides expert advice on management strategies through independent outside directors. • Supervises overall management and contributes to enhancing corporate value. • Provides objective oversight in situations involving conflicts of interest.	• Important matters concerning management direction (including M&A, capital and business alliances, and capital investment) • Matters related to the General Meeting of Shareholders • Organizational changes and important personnel matters • Financial and capital policies
Audit & Supervisory Board	3 Audit & Supervisory Board members, including 2 outside Audit & Supervisory Board members	• Conducts operational audits through on-site inspections of major business sites and subsidiaries. • Monitors organizational management by attending meetings of the Board of Directors and other important meetings. • Shares audit issues and exchanges opinions through meetings with directors. • Enhances audit effectiveness through collaboration with the Internal Auditing Department (internal audit). • Regularly exchanges information and collaborates with the independent accounting auditor.	• Matters concerning the execution of duties by the Board of Directors • Matters concerning the appropriateness of accounting audits • Matters concerning the establishment of the corporate governance system
Strategy Council	Executive officers appointed by the President	• Conducts preliminary reviews of matters to be submitted to the Board of Directors. • Discusses important matters concerning the strategies of each division and business unit.	• Important matters concerning management direction (including M&A, organizational restructuring, and structural reforms) • Matters concerning the medium-term business plan • Matters concerning financial and capital policies • Matters concerning large-scale capital investment
Nomination and Compensation Committee	Outside directors, the Representative Director, President & CEO, and internal directors	• Deliberates on the appointment and dismissal of directors. • Deliberates on directors' remuneration. • Deliberates on succession planning. • Ensures transparency and objectivity in important matters.	• Appointment of director candidates • Matters concerning directors' remuneration
Sustainability Committee	Chair: Representative Director, President & CEO General Managers of relevant divisions and other members	• Deliberates on and determines important policies related to sustainability management across the Earth Group. • Identifies and assesses changes in the external environment, including risks and opportunities. • Reflects such changes in the Group's medium- to long-term management strategies and promotes them throughout the Group. • Directs the incorporation of sustainability initiatives into the business strategies of each division and monitors their progress.	• Materiality • TCFD/TNFD • Human rights due diligence

Meetings held by the Board of Directors and advisory bodies in 2025

	Number of meetings held	Number of agenda items	Number of reports	Attendance rate (internal directors)	Attendance rate (outside directors)
Board of Directors	12	29	58	95.0%	97.9%
Audit & Supervisory Board	11	7	17	100%	100%
Nomination and Compensation Committee	2	2	0	75.0%	87.5%

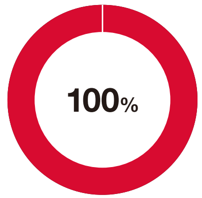
Outside directors

Ratio of outside directors on the Board of Directors



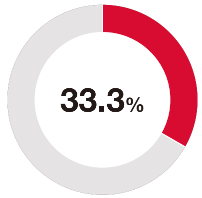
Outside directors currently account for 44.4% of the Board of Directors.

Ratio of independent directors among outside directors



The Company has established independence criteria for outside directors, who provide oversight and advice on management from an independent standpoint. Currently, all four outside directors satisfy these criteria.

Ratio of female directors on the Board of Directors



Female directors currently account for 33.3% of the Board of Directors.

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 2025, the Company distributed a questionnaire to all directors and Audit & Supervisory Board members serving as of December 2025 to evaluate the effectiveness of the Board of Directors, and to identify future issues and matters to be handled.

Analysis and evaluation process

Distributed a questionnaire to all directors and Audit & Supervisory Board members (serving as of December 2025) based on the advice of an external attorney

Aggregated and analyzed the questionnaire responses

Confirmed the issues at the Board of Directors and discussed future initiatives

Undertook improvement initiatives

Issues for fiscal 2025	Preparation of material formats and schedule management for more extensive discussions
Fiscal 2025 initiatives and evaluation	**Actions taken to address issues** Schedule Management: The annual schedule of Board of Directors meetings is shared in advance, and the planned agenda is distributed to all expected participants, including observers, one week prior to each meeting. Documentation: The format of the notice convening Board of Directors meetings has been revised to enable directors to prepare in advance for agenda items. **Evaluation** Analysis of the questionnaire results confirmed that the Company's Board of Directors is generally operating effectively in the following respects: • The size and composition (including diversity) of the Board are appropriate, ensuring its effectiveness. • Agenda items are shared in advance, allowing sufficient time for preparation. • The volume and content of meeting materials, particularly risk-related information, are appropriate. • Meeting duration and time allocation are appropriate, ensuring sufficient discussion of important matters. • Support systems for outside directors, including advance briefings and opportunities to exchange opinions with Audit & Supervisory Board members, are well established.
Issues for fiscal 2026	Summary of opinions expressed during advance briefings Establish a mechanism to share the summary during presentations at Board of Directors meetings Introduce online advance briefings to improve the efficiency of meeting participants

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.

Excerpts from discussions at Board of Directors meetings in 2025

Theme	Summary of discussion	Response
Theme 1: M&A transaction	Synergies from the acquisition and the appropriateness of the acquisition price	The Board conducted a multifaceted review that went beyond examining the target company's business plan, including the feasibility of realizing expected synergies, potential lost profits, and the appropriateness of the acquisition consideration. In addition, the Board held in-depth discussions on the consistency between the investment recovery period and the cost of capital, carefully confirming the economic rationale for this investment.
Theme 2: Major capital investment	Investment effectiveness and prospects for recovery	The Board examined the investment effectiveness based on market analysis and production plans, with particular focus on the validity of assumptions regarding the capacity utilization rate. In addition, the Board conducted scenario analyses incorporating the risk of demand fluctuations and reconsidered the optimization of the investment scale from the perspective of enhancing risk resilience, thereby working to maximize investment efficiency.
Theme 3: Status of overseas business development	Overseas strategy and human resource development	The Board shared business plans and issues faced in each area, and recommendations were made regarding the reconstruction of strategies that reflect the current situation in each region. In addition, the Board held in-depth discussions on the development of global human resources to accelerate global management from the perspectives of business strategy and organization.
Theme 4: Employee compensation and benefits	Review of salary systems and various allowances	The Board examined the design of new systems that would help maintain and improve the motivation of younger employees, and held multifaceted discussions on whether increases in personnel expenses would directly lead to improved productivity. In particular, recognizing human resources as capital, the Board carefully examined the ideal form of compensation and benefits systems that contribute to the sustainable enhancement of corporate value.

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, President & CEO 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.

Reasons for director and Audit & Supervisory Board member appointments
https://corp.earth.jp/en/ir/stock/meeting/pdf/AGM-102-001-en.pdf

Officer Compensation System

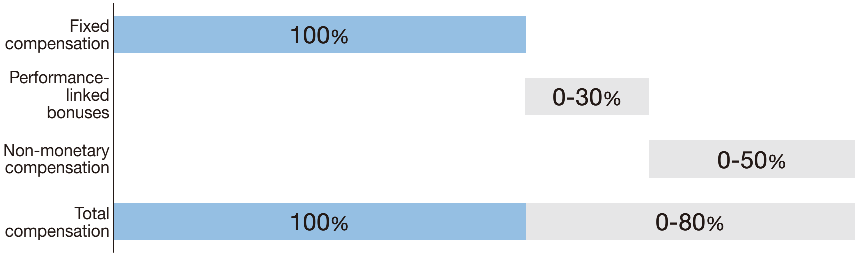
The Company has established an executive compensation system that ensures transparency and fairness with the aim of enhancing corporate value over the medium to long term and securing outstanding human resources. Executive compensation consists of three components: fixed compensation, a short-term incentive (performance-linked bonuses) that encourages the achievement of business performance targets, and a long-term incentive (restricted stock compensation) linked to shareholder value. Fixed compensation is determined annually based on position, responsibilities, business performance, and employee salary levels, and is paid monthly. Outside directors receive fixed compensation only in order to maintain their independence.

Performance-linked bonuses are calculated according to the achievement level of consolidated operating income targets and are paid after the relevant performance indicators have been finalized. However, no bonus is paid if consolidated operating income and net income attributable to owners of parent are both 50% or less of their respective targets. The amount of the bonus for each director is determined within a range of 0% to 30% of fixed compensation, taking into account both Company performance and individual performance.

To further enhance corporate value over the medium to long term, restricted stock is granted to directors, excluding outside directors, in an amount equivalent to up to 50% of their fixed compensation. The number of shares to be granted is determined by resolution of the Board of Directors based on the deliberations of the Nomination and Compensation Committee.

Authority to determine individual compensation is delegated to the Representative Director, President & CEO. The appropriateness of such decisions is ensured by reporting the deliberations of the Nomination and Compensation Committee to the Board of Directors.

Compensation structure



Total amount of director and Audit & Supervisory Board member compensation (2025)

Officer classification	Total amount of compensation by type (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)	802	563	96	143	—	5
Auditors (excluding outside auditors)	18	16	2	—	—	1
Outside officers	61	58	2	—	—	7

Notes: 1.The total amount of compensation for the five directors (excluding outside directors) includes executive compensation paid by consolidated subsidiaries.
2.The above includes compensation paid to one director who retired upon the conclusion of the 101st Annual General Meeting of Shareholders held on March 27, 2025.

Total amount of consolidated compensation for each officer (2025)

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	177	Director	Submitting company	138	15	24	—
Katsunori Kawabata	368	Director	Submitting company	251	50	45	—
		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	—	—	—
		Director	Consolidated subsidiary, PROTOLEAF, Inc.	2	—	—	—

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

Officer Training

Basic Policy on Training

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.

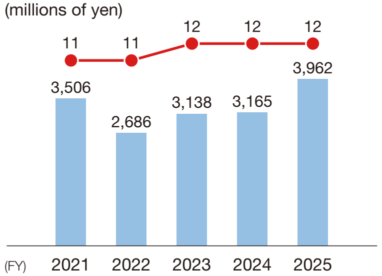
External training programs and site visits conducted in FY2025

Date	Training program / Site visit	Description
March 11, 2025	Briefing on the Evaluation of Board Effectiveness	Report on and explanation of the results of the Board effectiveness evaluation questionnaire
June 12, 2025	Risk Management: Theory and Practice	Key points for strengthening corporate governance
October 23, 2025	BCP Tabletop Exercise	Confirmation of initial response procedures in the event of a major earthquake directly beneath the Tokyo metropolitan area

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 2025, 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.

Changes in the number of cross-shareholdings
(listed shares, market value basis)
(millions of yen)



Dialogue with Investors

Under the commitment of its top management, led by the President & CEO, Earth Corporation places great importance on constructive dialogue with stakeholders, including investors. Through transparent information disclosure and accountability, the Company seeks to enhance understanding and trust and thereby contribute to the sustainable enhancement of corporate value over the medium to long term.

Dialogue with shareholders and investors is led by the Executive Officer responsible for IR together with the Corporate Management Department of the Group Corporate Management Headquarters, which is responsible for IR activities. They communicate the Company's management policies and strategies through individual meetings and financial results briefings. The IR department works closely with relevant divisions to collect necessary information and continuously monitors the shareholder structure and conducts beneficial shareholder surveys. Feedback obtained through dialogue is shared with management and reflected in initiatives to enhance corporate value. In addition, the Company appropriately manages insider information in accordance with its internal regulations and strives to ensure fair and reliable information disclosure.

Primary topics and matters of interest among shareholders and investors

- Overview and progress of the medium-term business plan
- Progress of structural reforms to improve profitability
- Group reorganization and synergies
- Current business environment and outlook
- Capital policy and financial policy
- Corporate governance initiatives

FY2025 dialogue results

Implementation details	Frequency	Representative
Financial results briefings	2 times (February, August)	Representative Director, President & CEO Board Director, Senior Executive Vice President Senior Executive Officer
Financial results follow-up meetings	2 times (May, November)	Senior Executive Officer Corporate Management Department (IR Representative)
Small meetings for sell-side analysts	2 times	Representative Director, President & CEO Board Director, Senior Executive Vice President Senior Executive Officer Corporate Management Department (IR Representative)
One-on-one meetings with the President	7 times	Representative Director, President & CEO Senior Executive Officer Corporate Management Department (IR Representative)
Individual meetings	125 times (including ad hoc meetings)	Corporate Management Department (IR Representative)

Compliance

Basic Approach

Earth Corporation has established a cross-sectoral Compliance Committee to ensure a high level of ethics and thorough legal compliance across the organization. Chaired by the officer in charge of legal affairs, the committee shares information regarding compliance issues and related matters, and considers and implements necessary measures. 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 distributes the Earth Corporation Conduct Guidelines and Explanation of Guidelines.

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. It also seeks to improve the effectiveness of training by conducting compliance awareness surveys to identify employees' understanding and issues, and by reflecting the results in training content and implementation plans. In addition to these activities, the Company continuously conducts awareness-raising activities through various meeting bodies and training programs, working to foster a corporate culture that encourages sound judgment and responsible conduct.

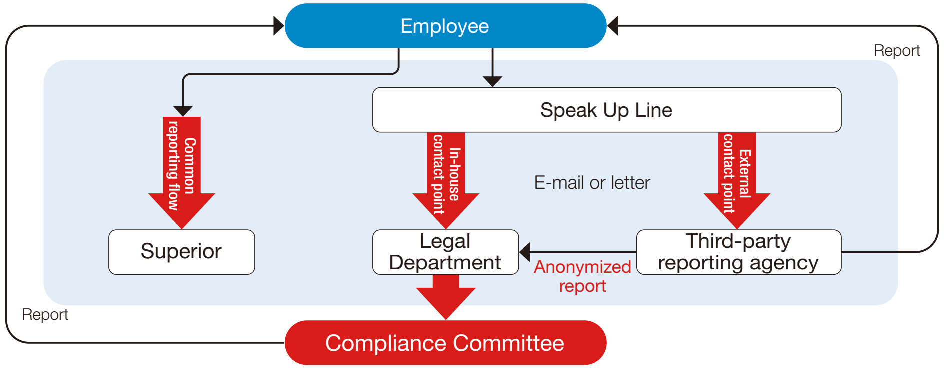
Internal Reporting System

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 of rule violations, while the external contact point can be used anonymously. It is also available to 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. This helps create an environment in which employees can share concerns with confidence.

In fiscal 2025, we received seven reports and consultations. There were no compliance violations.

Speak Up Line system



Putting in Place an External Reporting Contact Point

To further strengthen its governance functions, the Company has established a contact point to receive inquiries and reports from business partners regarding compliance with the Company's laws and corporate ethics standards, including the Earth Corporation Conduct Guidelines and Global Code of Conduct (hereinafter referred to as "reports, etc."). The contact point is outsourced to IntegreX Inc., a third-party organization with which the Company has entered into an outsourcing agreement and a confidentiality agreement. Privacy is strictly protected, and neither the person submitting the report nor the relevant business partner will be subject to any disadvantageous treatment for having submitted such a report, etc. However, this does not apply to reports made for improper purposes, such as false reports or defamation.

Reporting contact point usage record (non-consolidated; total of internal and external reports)

Nature of report	FY2021	FY2022	FY2023	FY2024	FY2025
Number of compliance training attendees	125	124	145	142	125
Number of reports and consultations* (cases)	5	4	7	5	7
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

1 Delivering "Comfort" to the World
2 How Value Is Created
3 How Future Growth Will Be Realized
4 Protecting "Comfort"
5 Governance
6 Data

Risk Management

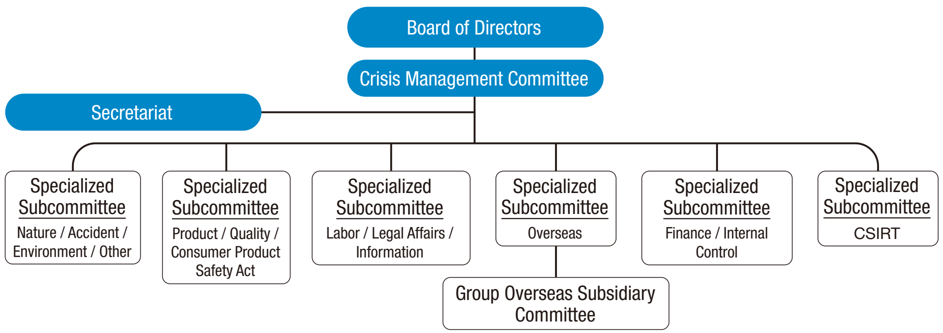
Basic Approach

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 the 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



Securities Report (in Japanese) **https://corp.earth.jp/jp/ir/library/securities-report/pdf/25_4Q_houkokusyo.pdf**

Formulation of BCP and BCM

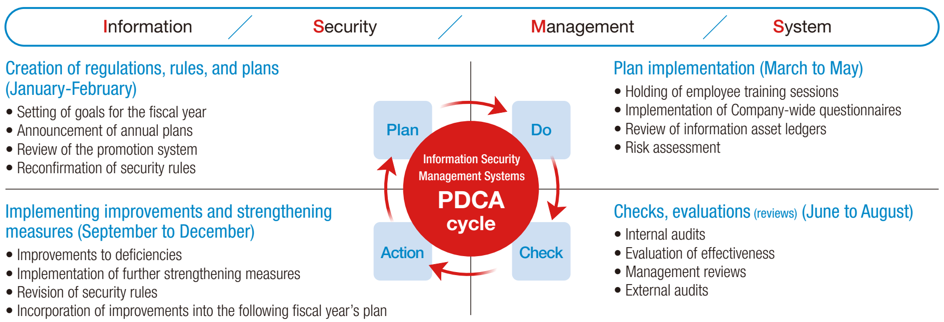
Fully aware of the possible serious damage associated with various management crises, such as risks to employee safety, the loss of society's trust, and economic losses, we organized and put in place systematic measures to prevent such management crises from occurring. In the unlikely event that a crisis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



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		Engagement method	Shared value with stakeholders: Examples of shared value	Shared value with stakeholders: Related capital
Customers (Consumers, business partners)	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.	• Product development that ascertains customer and business environments, and considers humanity and the environment • Communication through sales activities • Operational structure for appropriate inventory management • Establishment of contact points that apply customer insights and the creation of inquiry forms • Advertising and PR • Provision of information through websites and other media • Disclosure of action on and initiatives for objective indicators through questionnaires and assessment agency response • Customer satisfaction surveys etc.	• Development of products suited to customer needs and changes in the business environment • Development and provision of products that consider humanity and the environment • Products based on customer feedback and employee proposals • Stable supply of products • Number of cases addressed by contact points for receiving comments and suggestions from customers • Disclosure of risk management information • External evaluations	Social and relationship capital ▶ P.24-29, 44, 64, 74
Employees and their families	The active participation of diverse human resources is the driving force behind Earth Corporation's growth. In addition to our employees, the families that support them are also stakeholders who create value for the Company.	• In-house newsletters and intranet • Various training programs • Peer bonus system • Individual target management • Individual meetings • Provision of learning opportunities and assistance for learning-related costs • Engagement surveys etc.	• Increase in the paid leave usage rate • Increase in the female manager ratio • Improvements in the level of employee satisfaction and organizational capabilities • Improvements in sales and operating income margin per employee/unit time • Increase in wages • Provision of training opportunities (reskilling) • Health management and improvements in health literacy	Human and Intellectual capital ▶ P.38
Suppliers	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.	• Communication through purchasing activities • CO_2 reduction in collaboration with business partners • CSR self-assessments • Improved logistics efficiency and solutions for social issues • Cost reductions • Reduced use and efficient use of raw materials and resources • Cooperative interaction and creation of synergy among the Group and with external parties • Business Partner Code of Conduct etc.	• Multi-stakeholder Pledge & Partnership Building Declaration • CO_2 emissions reductions: engagement with business partners • Status of self-assessment implementation • Disclosure of packing material and FSC-certified paper volumes • Reduction of environmental impact in procurement	Social and relationship and Natural capital ▶ P.41, 50, 51
Shareholders and investors	Earth Corporation sees shareholders and investors as important stakeholders that support the Company's management foundation by providing capital and executing voting rights. The Company also builds long-term relationships of trust through proactive information disclosure and repeated dialogue.	• General meetings of shareholders • Financial results briefings for institutional investors and analysts • Individual meetings • Provision of information through websites and other media • Facility tours etc.	• Dividends • Total return ratio • TSR (10 years) • Interest • Repayment of principal • Issuance of reports	Financial capital ▶ P.19
Local community	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.	• Implementation of on-site classes and reception of students • Participation in and organization of various events • Comprehensive collaboration agreements with each municipality • Donations and support • Community support and clean-up activities etc.	• Educational events and training activities related to insect-borne infectious disease countermeasures • Activities that help mitigate infectious and other diseases • Acceptance of interns and visitors, provision of social learning opportunities for students • Comprehensive collaboration agreements with each municipality • Contributions to the community through the development of products that help prevent disasters • Participation in efforts, including disaster support and donations to developing countries • Community clean-up activities • Disclosure of sustainability reports and ESG data	Social and relationship capital ▶ P.49
The Earth	Climate change, population shifts, and globalization alter the habitats of plants and animals, and threaten biodiversity, which will in turn have an impact on people's lives. As the habitat in which countless plants and animals coexist, the Earth is therefore one of Earth Corporation's valued stakeholders.	• Decarbonization initiatives • Improved usage efficiency and reduced use of materials and resources • Environmental policies • Chemical substance control policies • Protecting biodiversity etc.	• Switch to renewable energy • Third-party assurance regarding GHG emissions • Disclosure of progress in improving water use efficiency • Zero emissions of industrial waste • Reports to government authorities • Provision of information, including information on chemical substance management • Nature conservation, invasive species countermeasures, and preservation of insect species	Natural capital ▶ P.42-46