



Earth Corporation

Press Release

Notice of Revision of Financial Results and Dividend Forecast
for the Full Year for the year ended December 31, 2021 [JGAAP]

January 31, 2022

Listed exchanges : Tokyo
Listed company name : Earth Corporation
Code : 4985
URL : <https://corp.earth.jp/en/index.html>
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Earth Corporation (“the Company”) has revised its full-year earnings and dividend forecasts for the fiscal year ending December 31, 2021 (January 1, 2021 through December 31, 2021), as follows.

1. Revision of Full-year Financial Results Forecast

Revision of forecast of the consolidated financial results for the year ended December 31, 2021

	(millions of yen)			
	Net Sales	Operating Income	Net Income	Net Income per Share(yen)
(Ref.) Fiscal year ending initial plan for the year ended December 31,2021	200,000	11,000	7,000	317.43
Forecast previously announced (A) (July 28, 2021)	201,500	12,000	7,700	348.97
Revised forecast (B)	203,700	10,600	7,100	321.81
Change (B-A)	2,200	-1,400	-600	-
Rate of change (%)	+1.0%	-11.6%	-7.7%	-
(Ref.) Results for the year ended December 31,2020	196,045	11,416	3,547	170.65

Revision of forecast of the Non-consolidated financial results for the year ended December 31, 2021

	(millions of yen)			
	Net Sales	Operating Income	Net Income	Net Income per Share(yen)
Forecast previously announced (A) (July 28, 2021)	126,900	9,200	6,850	310.45
Revised forecast (B)	128,200	8,300	6,300	285.55
Change (B-A)	1,300	-900	-550	-
Rate of change (%)	1.0%	-9.7%	-8.0%	-
(Ref.) Results for the year ended December 31,2020	124,249	9,681	345	16.60

Reasons for Revision

Sales of insecticides and repellents, which are the core of the Group's earnings, as well as oral care products and bath products, increased due to changes in lifestyles resulting from the impact of COVID-19. However, due to the impact of COVID-19, earnings from overseas business in the ASEAN region were lower than expected, returns of insecticides and repellents were much higher than expected due to the sharp drop in temperature last summer, and the Company increased expenses based on the concept of investment for medium- to long-term growth. As a result, operating income and net income attributable to shareholders of the parent company are expected to be lower than the previous forecasts, and we have revised our forecasts as above.

2. Revision of Dividends Forecast

	Interim dividend per share	Year-end dividend per share	Annual per-share dividends
Forecast previously announced		115.00 yen	115.00 yen
Revised forecast		118.00 yen	118.00 yen
Dividends paid in FY2021	0.00 yen		
(Ref.) Dividends paid in FY2021	0.00 yen	115.00 yen	115.00 yen

Reasons for Revision

The Company positions the return of profits to shareholders as an important management issue, and strives to maintain stable dividends while securing internal reserves for sustainable growth and the maintenance of a sound management structure.

Internal reserves will be used for investments in R&D and production facilities, as well as for strategic investments in overseas growth drivers and acquisition of external resources through M&A and other activities.

With regard to dividends from retained earnings, we use the dividend on equity ratio (DOE) as one of the guidelines for returning profits to shareholders and set the level at 4-5%, with the aim of providing stable and continuous dividends.

In addition, in line with the medium-term management plan "Act For SMILE -COMPASS 2023-", we are currently working to improve our profit structure, aiming for sustainable growth and enhancement of corporate value. As a result, we have strengthened our financial base, and in response to the support of our shareholders to date, we have decided to increase the annual dividend for the fiscal year ending December 31, 2021 from the most recent forecast of 115 yen per share to 118 yen per share.

The Company's Articles of Incorporation stipulate that the Company may make the matters listed in each item of Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors. The year-end dividend will be formally determined and implemented by a resolution of the Board of Directors to be held in February 2022.

Note: The above forecast of financial results and dividends are based on certain information available to the Company at the time of announcement, and actual operating results may differ from the forecast due to various factors.