



Earth Corporation

Press Release

Update on disclosed matter;
Notice regarding the Expansion of Business Development in the Philippines

April 4, 2022

Listed exchanges : Prime Market
Listed company name : Earth Corporation
Code : 4985
URL : <https://corp.earth.jp/en/index.html>
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Earth Corporation (the "Company") announces that it has acquired the following shares in connection with the matters disclosed in the " Notice regarding the Expansion of Business Development in the Philippines " dated September 7, 2021.

1. Reason for Share Acquisition

In its mid-term management plan "Act For SMILE - COMPASS 2023 -," the Earth Corporation group has set expansion of its Asian earnings base as one of its most important strategies, and is expanding its business in the Southeast Asian region. In particular, we believe that the Philippines is a market that can be expected to grow in the future, as its population is expected to increase, its economy is expected to grow at a high rate, and demand for insect care products is expected to increase year by year.

Therefore, as disclosed on September 7, 2021, Earth Homecare Products (Philippines), Inc. ("EHPI") was established to accelerate business development in the Philippines by taking over the sales business of insect care products, household products, pet care products, etc. of Neumann & Mueller Philippines, Inc. ("NMPI") to acquire 66.7% of the shares of EHPI, and the share acquisition has been completed in accordance with the share transfer agreement and accompanying agreements that were executed.

The sales business taken over from NMPI has been performing well in the Corona Disaster. Going forward, the Company aims to increase earnings by introducing daily necessities and other products in the Philippines, with a focus on insect care products.

2. Outline of the new company

1. Company name:	Earth Homecare Products (Philippines), Inc.	
2. Location:	Unit 2105 Atlanta Centre, 31 Annapolis St., Greenhills, San Juan City, Metro Manila, Philippines	
3. Name and title of representative	Hiroyuki Takagi, Managing Director	
4. Business description	Sale of insecticides and repellents, household products, pet care products, etc.	
5. Capital	PHP161.5mn	
6. Established:	October 7, 2021	
7. Major shareholders and their shareholdings	<ul style="list-style-type: none"> • Earth Corporation 66.7% • Plus six other shareholders 	
8. Relationships with Earth Corporation	Capital relationships	The Company owns 66.7%.
	Personal relationships	Of the directors of the company, one is seconded by an employee of the Company and one is seconded by an employee of the Company.
	Business relationships	Earth Corporation outsources product sales in the Philippines to EHPI.

3. Outline of the counterparty of the share acquisition

The counterparties of the share acquisition are all individuals (6 persons), and due to confidentiality agreements, we refrain from disclosing their names. There are no capital, personal, or business relationships between the Company and the counterparties that are required to be disclosed.

4. Number of shares acquired, acquisition price and status of shares held before and after acquisition

1. Number of shares held before the change	0 share (Number of voting rights: 0) (Percentage of voting rights held: 0%)
2. Number of shares acquired	1,077,205 shares (Number of voting rights: 1,077,205)
3. Acquisition Price	Not to be disclosed by agreement between the parties.
4. Number of shares held after the change	1,077,205 shares (Number of voting rights: 1,077,205) (Percentage of voting rights held: 66.7%)



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5. Schedule

1. Date of agreement	September 7, 2021
2. Date of establishment of new company	October 7, 2021
3. Date of share acquisition	April 1, 2022

6. Future Outlook

This matter will have negligible impact on the consolidated financial results of the Earth Corporation group in the fiscal year ending December 2022.

Note: The above forecast of financial results is 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.