



Earth Corporation

Press Release

Notice Concerning Acquisition of Business

November 8, 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 announced that on November 8, 2022, its Board of Directors decided to purchase the "BARTH" brand business developed by TWO Inc. and reached the following agreement with the company. The Tokyo Stock Exchange's rules do not require timely notification of this company transaction, but the Company has chosen to report it anyway because it believes it is important information. As a result, several items and disclosure item details have been excluded.

1. Reason for Business Acquisition

With "customer-oriented" as its guiding principle, the Company's group zealously pursues the alleviation of customer annoyance and dissatisfaction, and offers a wide range of unique and excellent goods and services, such as insecticides & repellents, bath salts, oral hygiene products, and general environment & sanitation business.

Since its start in 2017, the "BARTH" company, which the Company will acquire, has experienced quick growth and great brand loyalty thanks to product development that prioritizes neutral bicarbonate bath salts and the value of nightly sleep. The business, according to the company, will continue to add value through the development and distribution of functionally focused bathing and sleep-related goods as well as the growth of its current items.

In anticipation of intangible synergies, such as the integration of marketing know-how and the development of the brand itself, we have made the decision to acquire this company by having the individuals who have been involved in the development of the "BARTH" brand join our group.

2. Overview of Business Acquisition

(1) Details of business acquired

Development, manufacture and sale of medicated BARTH neutral bicarbonate bath salts, other products containing neutral bicarbonate, and other "BARTH" brand products, and related businesses

(2) Operating results of business acquired

	Sales	Division Profits
Fiscal year ending August 2022	1,838 million yen	361 million yen

(3) Items and amounts of assets of business acquired

Inventories and intangible assets related to the acquired business

(4) Acquisition price and method of settlement

Non-disclosure is required by the terms of the confidentiality agreement between the parties.

3. Overview of the counterparty

1. Name	TWO Inc.
2. Location	JUNCTION space, 6-35-3 Jingumae, Shibuya-ku, Tokyo
3. Job title and name of representative	Yoshikazu Higashi, Representative Director and CEO
4. Description of business	Planning, production, and sales of wellbeing business, etc.
5. Share capital	100 million yen
6. Date of establishment	December 21, 2015

4. Timetable

1. Date of resolution at the meeting of the Board of Directors	November 8, 2022
2. Date of conclusion of the agreement	November 8, 2022
3. Date of acquisition of business	March 1, 2023 (scheduled)

5. Overview of accounting treatments

It is anticipated that this business transaction will be categorized as an acquisition, and the amount of goodwill involved in this treatment is now being investigated.

6. Future outlook

The Company believes that this business acquisition will have little to no effect on the Group's consolidated financial results for the fiscal year ending December 31, 2022.