

Press Release

Notice Concerning Revisions to Full-Year Financial Results Forecasts
for the Fiscal Year Ending December 31, 2023 and
the Recording of an Extraordinary Loss [JGAAP]

January 29, 2024

Listed exchanges : Prime Market
Listed company name : Earth Corporation
Code : 4985
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Earth Corporation (the “Company”) hereby announces that, in light of recent performance trends, it has revised its full-year forecasts for the fiscal year ending December 31, 2023 (January 1, 2023 to December 31, 2023), which were announced on November 9, 2023, as follows.

Revision of Full-Year Earnings Forecasts

 (1) Revisions to consolidated financial results forecasts for the current fiscal year (January 1, 2023 through December 31, 2023)

	(millions of yen)				
	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	Consolidated earnings per share (yen)
Forecast previously announced (A) (Released on 9 Nov 2023)	157,500	5,000	5,500	3,000	135.73
Revised forecast (B)	158,300	6,370	6,790	4,100	185.45
Change (B-A)	800	1,370	1,290	1,100	
Rate of change (%)	+0.5%	+27.4%	+23.5%	+36.7%	
(Ref.) Actual consolidated results for the previous fiscal year (Fiscal year ended Dec 31, 2022)	152,339	7,434	8,133	5,303	240.47

 (2) Revisions to non-consolidated financial results forecasts for the current fiscal year (January 1, 2023 through December 31, 2023)

	(millions of yen)				
	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share (yen)
Forecast previously announced (A) (Released on 9 Nov 2023)	80,000	2,600	3,300	1,700	76.91
Revised forecast (B)	80,600	3,420	4,220	▲ 8,260	▲ 373.62
Change (B-A)	600	820	920	▲ 9,960	
Rate of change (%)	+0.8%	+31.5%	+27.9%	—	
(Ref.) Actual consolidated results for the previous fiscal year (Fiscal year ended Dec 31, 2022)	76,594	3,840	4,576	3,168	143.67

(3) Reasons for Revision

[Consolidated results]

Compared to the assumptions made at the time of the forecast announced on 9 November 2023, both sales and the profits at each stage are expected to exceed the previously announced forecasts, mainly due to higher sales in the non-consolidated results and lower sales promotion costs and expenses.

[Non-consolidated results]

Compared to the assumptions made at the time of the forecast announced on 9 November 2023, sales, operating profit and recurring profit are all expected to exceed the previously announced forecasts, mainly due to an upward swing in shipments of Insecticides & repellents and progress in curbing returns,

as well as progress in curbing sales promotion costs and expenses. On the other hand, non-consolidated net income is expected to fall short of the previously announced forecast due to the recording of a valuation loss on shares in affiliated companies related to BATHCLIN Corporation Inc. as described in (4).

(4) Losses on valuation of shares in subsidiaries and affiliates (non-consolidated accounts)

The business environment for consolidated subsidiary BATHCLIN Corporation Inc. has changed significantly from the assumptions made when the shares were acquired in 2012, including the impact of the recent sharp rise in raw material prices, and as a result of a valuation in accordance with the Accounting Standard for Financial Instruments, a loss of JPY 10,965 million was recorded in the year under review as a valuation loss on shares in affiliates.

This valuation loss is only recorded in the company's non-consolidated financial statements and has no impact on consolidated results.

(5) Dividend forecast for the year ending 31 December 2023

The Company regards the return of profits to shareholders as an important management issue and has not changed its dividend forecast for the year ending 31 December 2023 to 118 yen per share, as previously announced.

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.

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