

Press Release

Notice Regarding Discussions on Management Integration with Subsidiary

November 11, 2024

Listed exchanges : Prime Market
Listed company name : Earth Corporation
Code : 4985
URL : <https://corp.earth.jp/en/index.html>
Representative Director : Katsunori Kawabata, Representative Director, President & CEO
Contact : Isao Goji ,
Senior Executive Officer
Director General
Corporate Planning Headquarters
Tel : +81-3-5207-7458

1. Background and Purpose of the integration discussions

The EARTH Group is committed to providing a wide range of original, high-quality products and services, including insecticides and repellents, bath salts, oral hygiene products, and general environmental and sanitation management services, by thoroughly pursuing the elimination of customer dissatisfaction and inconvenience from the customer's perspective.

The current med-term management plan, 'Act For SMILE COMPASS 2026', positions the three years up to 2026 as a period for laying the foundation for dramatic growth from 2027 onwards, and sets out three key policies: 'Expand sales overseas', 'Transform the earnings structure', and 'Enhance group management'.

To strengthen the Group's management capabilities, Earth Corporation and BATHCLIN are considering a merger to achieve greater operational efficiency and optimal allocation of Group management resources, as well as to respond to the significant changes in the external environment in recent years and to further enhance the market presence of the Earth Group.



Earth Corporation

2. Overview of the two companies (as of 31 December 2023)

(1) Name	Earth Corporation	BATHCLIN CORPORATION
(2) Location	2-12-1, Kanda-Tsukasamachi, Chiyoda-ku, Tokyo	8 th Floor, Kudan Center Building, 4-1-7, Kudankita, Chiyoda-ku, Tokyo
(3) Job title and name of representative	Katsunori Kawabata, Representative Director, President & CEO	Shogo Sanmaido, President & Representative Director
(4) Description of business	Manufacture, sale, and import/export of pharmaceutical products, quasi-drugs, medical tools, household products, etc.	Manufacture and sale of quasi-drugs (bath additives, hair growth tonic, etc.), cosmetic, and accessories
(5) Share capital	10,192 million JPY (as of 30 June 2024)	300 million JPY (as of 31 December 2024)
(6) Date of establishment	August, 1925	July, 2008
(7) Number of issued shares	22,141,100 shares	49,100 shares
(8) Fiscal year-end	December 31	December 31
(9) Major shareholders and ownership ratios	<ul style="list-style-type: none"> - The Master Trust Bank of Japan, Ltd. (Trust Account) 10.07% - Otsuka Pharmaceutical Co., Ltd. 9.94% - Otsuka Pharmaceutical Factory, Inc. 8.80% - Earth Corporation Employee Shareholding Association 4.76% - Custody Bank of Japan, Ltd. (Trust Account) 2.76% - Taiho Pharmaceutical Co., Ltd. 2.71% - Otsuka Chemical Co., Ltd. 1.80% 	<ul style="list-style-type: none"> - Earth Corporation 100%

(10) Operating results and financial positions for recent fiscal years		
As of / Fiscal year ended	12 31,2023(Consolidated)	12 31,2023(Non-consolidated)
Consolidated total assets	132,407	14,433
Consolidated net assets	72,000	8,392
Consolidated net assets per share (Yen)	3,007.52	170,933.12
Consolidated net sales	158,344	15,400
Consolidated operating profit	6,370	307
Consolidated ordinary profit	6,791	329
Profit attributable to owners of parent	4,102	222
Consolidated earnings per share (Yen)	185.57	4,537.93

(Millions of yen, unless otherwise noted)

3. Future outlook

As this is a management integration with 100% subsidiary, the impact on consolidated financial results for the fiscal year ending December 2024 will be minimal.

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