



Earth Corporation

Press Release

Notice Regarding the Acquisition of Shares in PROTOLEAF, Inc. (Making it a Subsidiary)

February 28, 2025

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
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Earth Corporation (the “Company”) hereby announces that we have concluded a share transfer agreement with PROTOLEAF, Inc. (Headquarters: Minato-ku, Tokyo; President and CEO: Takatsugu Sato; hereinafter “PROTOLEAF”) with the aim of acquiring additional shares in PROTOLEAF and have decided to make it a subsidiary.

This matter does not fall under the criteria for timely disclosure as stipulated by the rules of the Tokyo Stock Exchange, but we have decided to disclose it voluntarily because we consider it to be useful information, and for that reason, we have omitted some of the items and content of the disclosure.

1. Background and purpose of the share acquisition

The Company, with the customer's perspective as our starting point, thoroughly pursues the elimination of dissatisfaction and inconvenience felt by customers, and provides a wide range of original, high-quality products and services, including insecticides and repellents, bath salts, oral hygiene products, gardening products, and General Environment and Sanitation Business.

On the other hand, PROTOLEAF is involved in the manufacture, wholesale and retail of gardening materials, as well as the landscaping business, and has a high market share in the gardening soil market, commercializing high-quality potting soil mixed with various minerals and organic ingredients, including several original products for home vegetable gardens.

The Company and PROTOLEAF have concluded a capital and business alliance agreement and are currently working together on sales and marketing activities and product development in the gardening supplies market. However, we have decided that more flexible use of the management resources of both companies will contribute to further development in the future, and we have decided to acquire an additional 16.07% (72 shares) of PROTOLEAF's issued shares and make it a subsidiary.

2. Overview of the subsidiary to be transferred (as of December 31, 2024)

1. Name	PROTOLEAF, Inc.		
2. Location	1-12-8, Mita Minato-ku, Tokyo, Japan		
3. Job title and name of representative	Takatsugu Sato, President, Chief Executive Officer		
4. Description of business	Manufacturing, wholesale, and retail of gardening materials, as well as design, construction, and management of landscaping		
5. Share capital	92 million yen		
6. Date of establishment	October ,2000		
7. Number of issued shares	448 shares		
8. Major shareholders and ownership ratios	Earth Corporation		34.1%
	Hyponex Japan Corp., Ltd.		34.1%
	Takatsugu Sato		21.2%
	Yuichiro Kano		10.5%
9. Relationship between Earth Corporation and PROTOLEAF, Inc.	Capital relationship	The Company holds 34.1% (153 shares) of PROTOLEAF's share.	
	Personnel relationship	There are no personal relationships which should be noted between the parties. In addition, significant personal relationship exists between persons or affiliated companies associated with the company and persons or affiliated companies associated with the company in question.	
	Business relationship	There are transactions between the Company and Taiko based on a business alliance agreement.	
10. Operating results and financial positions for the last three years			
(Unit; Millions of yen)			
Accounting Year	Year ending June 30, 2022	Year ending June 30, 2023	Year ending June 30, 2024
Total assets	2,037	1,889	1,944
Net assets	346	423	447
Net assets per share (Yen)	774,351.49	945,071.58	997,803.72
Net sales	4,193	4,057	3,863
Operating profit	214	136	132
Ordinary profit	206	124	126
Profit attributable to owners of parent	141	90	32
Earnings per share (Yen)	316,520.66	202,372.08	72,969.13

3. Overview of counterparty in share transfer

1. Name	Takatsugu Sato	
2. Location	Setagaya-ku, Tokyo	
3. Relationship between Earth Corporation and the person	Capital relationship	There are no applicable items.
	Personnel relationship	There are no applicable items.
	Business relationship	There are no applicable items.

1. Name	Yuichiro Kano	
2. Location	Ota-ku, Tokyo	
3. Relationship between Earth Corporation and the person	Capital relationship	There are no applicable items.
	Personnel relationship	There are no applicable items.
	Business relationship	There are no applicable items.

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

1. Number of shares held before the transfer	153 shares (Number of voting rights: 153) (Percentage of voting rights held: 34.15%)
2. Number of shares acquired	Common stock: 72 shares (Number of voting rights: 72)
3. Acquisition cost	Due to confidentiality clauses between the parties, this information will not be disclosed.
4. Number of shares held after the transfer	225 shares (Number of voting rights: 225) (Percentage of voting rights held: 50.22%)

5. Shareholder composition after the acquisition of the relevant shares

	Number of shares held	Shareholding ratio
Earth Corporation	225 shares	50.22%
Hyponex Japan Corp., Ltd.	153 shares	34.15%
Takatsugu Sato	47 shares	10.49%
Yuichiro Kano	23 shares	5.13%

6. Schedule

Date of resolution by the Board of Directors	December 10, 2024
Date of transfer of shares	February 28, 2025

7. Future outlook

The impact of this matter on the Company's consolidated business results for the current period is currently being examined and will be announced as soon as it is determined.

(Ref) Consolidated earnings forecast for the current period (announced on February 13, 2025) and consolidated earnings results for the previous fiscal year

(millions of yen)

	Consolidated Sales	Consolidated Operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Consolidated earnings forecast for the current term (Fiscal Year Ending Dec 31, 2025)	175,000	6,500	7,100	4,300
Actual consolidated results for the previous fiscal year (Fiscal year ended Dec 31, 2024)	169,278	6,425	7,364	3,475

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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