



Earth Corporation

Press Release

(Update on disclosed matter)

Notice of Absorption Merger (Simplified Merger-Short Form Merger) of Wholly Owned Subsidiary

March 11, 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
Contact : Isao Goji ,
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Director General
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As announced in the “Notice Regarding Discussions on Management Integration with Subsidiary” dated November 11, 2024, Earth Corporation (the “Company”) has been considering a management integration with its wholly owned subsidiary, BATHCLIN CORPORATION (“BATHCLIN”), and at a meeting of the Board of Directors held on March 11, 2025, the Company resolved to merge with BATHCLIN through an absorption-type merger, with the merger effective on January 1, 2026.

As this merger is a simple absorption-type merger of a wholly owned subsidiary, some of the disclosure items and details have been omitted.

1. Purpose of the absorption merger

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 mid-term business 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 will merge with BATHCLIN by absorption 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.

2. Summary of the merger

① Schedule for the merger

Date of the board of directors' resolution on the merger agreement: March 11, 2025

Date of the merger agreement: March 11, 2025

Scheduled date of the merger: January 1, 2026

*This merger is a simplified absorption-type merger for the Company under Article 796, Paragraph 2 of the Companies Act. It is also a short-form merger for BATHCLIN under Article 784, Paragraph 1 of the Companies Act. As a result, neither company will hold a general meeting of shareholders to approve the merger agreement.

② Method of merger

The merger will be an absorption-type merger, with Earth Corporation as the surviving company, and BATHCLIN will be dissolved.

③ Details of the allotment relating to the merger

As this is a merger with a wholly owned subsidiary of the Company, there will be no issue of new shares or payment of money due to the merger.

④ Handling of share options and share option-type liabilities of the dissolving company

Not applicable.

3. Overview of the two companies (as of 31 December 2024)

	Surviving company in an absorption-type merger	Dissolving company in an absorption-type merger
(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



Earth Corporation

(5) Share capital	10,192 million JPY (as of 31 December 2024)	300 million JPY (as of 31 December 2024)
(6) Date of establishment	August, 1925	July, 2008
(7) Number of issued shares	22,209,900 shares	49,100 shares
(8) Fiscal year-end	December 31	December 31
(9) Major shareholders and ownership ratios	<ul style="list-style-type: none"> - Otsuka Pharmaceutical Co., Ltd. 9.91% - The Master Trust Bank of Japan, Ltd. (Trust Account) 8.95% - Otsuka Pharmaceutical Factory, Inc. 8.77% - Earth Corporation Employee Shareholding Association 4.77% - Custody Bank of Japan, Ltd. (Trust Account) 2.94% - Taiho Pharmaceutical Co., Ltd. 2.70% - HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND 1.85% - 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 31,2024(Consolidated)	12 31,2024(Non-consolidated)
Total assets	135,636	13,321
Net assets	74,652	8,482
Net assets per share (Yen)	3,162.24	172,769.03
Net sales	169,278	14,695
Operating profit	6,425	118
Ordinary profit	7,364	163
Profit attributable to owners of parent	3,475	65
Earnings per share (Yen)	158.26	1,341.61

(Millions of yen, unless otherwise noted)

4. Post-merger situation

There will be no change to the company name, address, representative's title and name, business content, capital or fiscal year after the merger.

5. Future outlook

As this merger is with a wholly owned subsidiary, the impact on consolidated financial results for the fiscal year ending December 2025 will be minimal.

(Ref.)

Current Consolidated Earnings Forecasts (announced on 13 February 2025) and Previous Consolidated Earnings

	(millions of yen)			
	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecast consolidated results for the fiscal year .(Fiscal year ended 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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