May 19, 2025

Company name: S.T. CORPORATION
Name of representative: Yo Kozuki, President & CEO
(Securities code: 4951; Prime Market Tokyo Stock Exchange)
Inquiries: Gaku Ibaraki, Division Director of Corporate Value Enhancing Division
(Telephone: +81-3-3367-6316)

(Corrections) Notice Concerning a Partial Revision to Reference Material for the "Financial Results Briefing in the Fiscal Year Ended March 2025 (78th Fiscal Year)"

As it was found necessary to partially revise the Explanatory Material for the "Financial Results Briefing in the Fiscal Year Ended March 2025 (78th Fiscal Year)" , which was announced on May 12, 2025, we have made following corrections and hereby attach the revised material.

S.T. CORPORATION (the "Company") hereby announces that the Company has made corrections to the Financial Results in relation to tax effect accounting for goodwill in business combinations due to business acquisition after the disclosure of the Material for the "Financial Results Briefing in the Fiscal Year Ended March 2025 (78th Fiscal Year)". Specific corrections made to the Financial Results and the reasons for the corrections are described below.
According to Clause 72 and Clause 378-3 of the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures, in the case of a business combination falling under a non-qualified merger where "goodwill" (the asset adjustment account and liability adjustment account for difference) is to be recognized for tax purposes, the amount of goodwill for tax purposes should be treated as a temporary difference and the amount remaining after allocation and recording of deferred tax assets or liabilities should be recognized as goodwill for accounting purposes. However, the deferred tax assets were not appropriately allocated from the purchase price for the business acquisition. Accordingly, it was necessary to make the following corrections to the Company's Consolidated statement of income.
(1) Decrease in amortization of goodwill due to allocation from the amount of goodwill to deferred tax assets: △ 113 million yen
(2) Decrease in income taxes: △ 106 million yen
(3) Increase in income taxes - deferred: 645 million yen
While corrections (1) and (2) increase the operating profit and the profit attributable to owners of the parent company, respectively, correction (3) causes a decrease in profit attributable to owners of the

parent company. These corrections also necessitate corrections to several items on the Consolidated balance sheet, namely, Goodwill and Deferred tax assets in the Assets section, Income taxes payable in the Liabilities section, and Retained earnings in the Net assets section.

２． Details of the revision

The revised parts are represented by red frames.

Material for the "Financial Results Briefing in FY3/25" : p.3

【Before correction】

Highlights of the Business Performance in FY 3/25 (78th Term) <Consolidated>

Increase in net sales and profit

	Consolidated	Sales ratio	YOY	Vs. Forecast
Net sales	48.1 billion yen	100.0%	108.2%	97.8%
Operating profit	1.5 billion yen	3.2%	115.1%	77.2%
Ordinary profit	1.9 billion yen	4.1%	102.1%	85.7%
Profit attributable to owners of parent	3.2 billion yen	6.8%	255.7%	130.4%
ROE	9.9%	-	+6.0pt	-

3

【After correction】

Highlights of the Business Performance in FY 3/25 (78th Term) <Consolidated>

Increase in net sales and profit

	Consolidated	Sales ratio	YOY	Vs. Forecast
Net sales	48.1 billion yen	100.0%	108.2%	97.8%
Operating profit	1.6 billion yen	3.4%	123.6%	82.9%
Ordinary profit	2.0 billion yen	4.3%	108.0%	90.6%
Profit attributable to owners of parent	2.8 billion yen	5.9%	222.4%	113.4%
ROE	8.6%	-	+4.7pt	-

3

Material for the "Financial Results Briefing in FY3/25” : p.4

【Before correction】

Highlights of the Business Performance in FY 3/25 (78th Term) <Consolidated>

	FY3/24		FY3/25		
	Sales ratio	Sales ratio	Sales ratio	Sales ratio	YOY
Net sales	¥44.4 bn	100.0%	**¥48.1 bn**	100.0%	108.2%
Cost of sales	¥28.0 bn	63.1%	**¥30.1 bn**	62.7%	107.6%
Gross profit	¥16.4 bn	36.9%	**¥17.9 bn**	37.3%	109.2%
Selling, general and administrative expenses	¥15.0 bn	33.9%	**¥16.3 bn**	34.1%	108.7%
Operating profit	¥1.3 bn	3.0%	**¥1.5 bn**	3.2%	115.1%

4

【After correction】

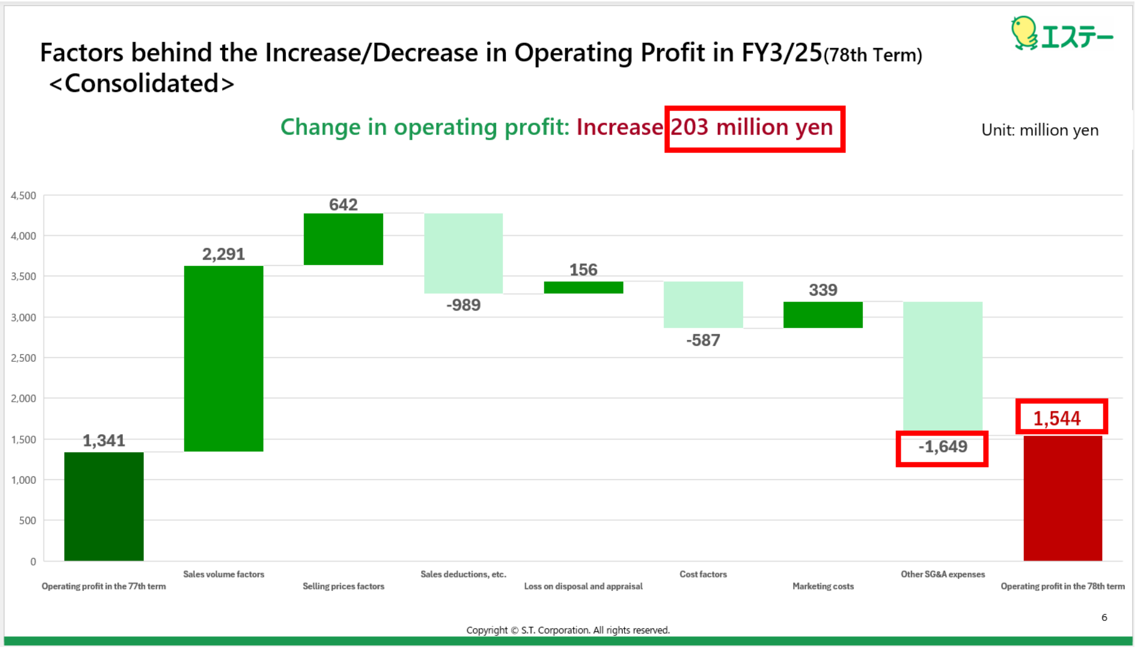
Highlights of the Business Performance in FY 3/25 (78th Term) <Consolidated>

	FY3/24		FY3/25		
	Sales ratio	Sales ratio	Sales ratio	Sales ratio	YOY
Net sales	¥44.4 bn	100.0%	**¥48.1 bn**	100.0%	108.2%
Cost of sales	¥28.0 bn	63.1%	**¥30.1 bn**	62.7%	107.6%
Gross profit	¥16.4 bn	36.9%	**¥17.9 bn**	37.3%	109.2%
Selling, general and administrative expenses	¥15.0 bn	33.9%	**¥16.2 bn**	33.8%	107.9%
Operating profit	¥1.3 bn	3.0%	**¥1.6 bn**	3.4%	123.6%

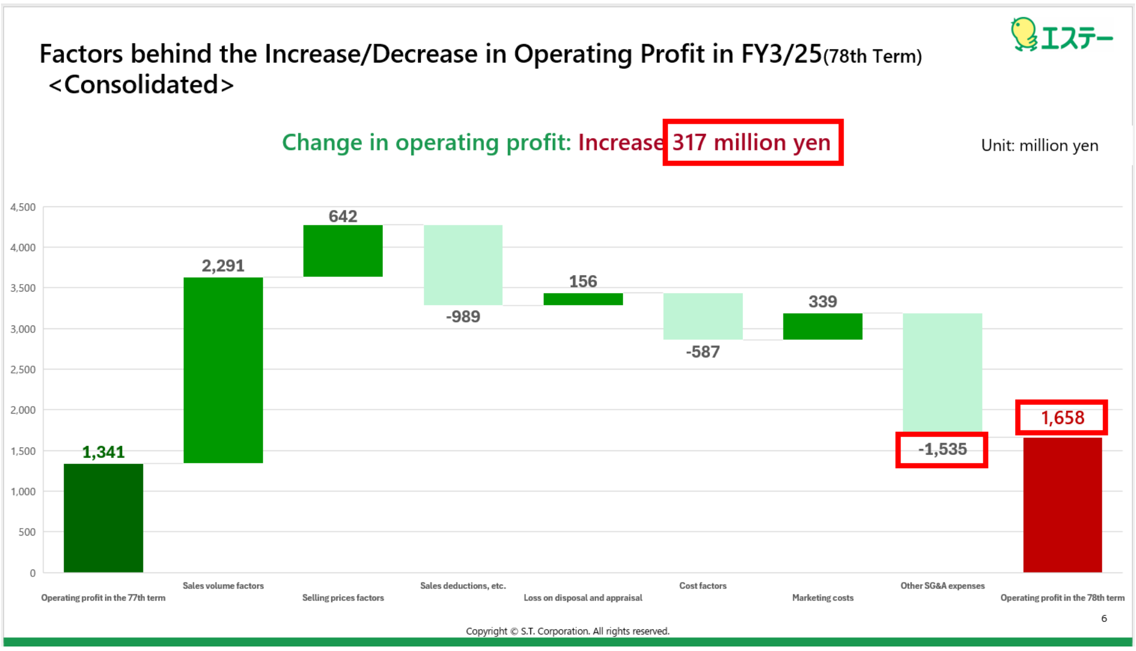
4

Material for the "Financial Results Briefing in FY3/25" : p.6

【Before correction】

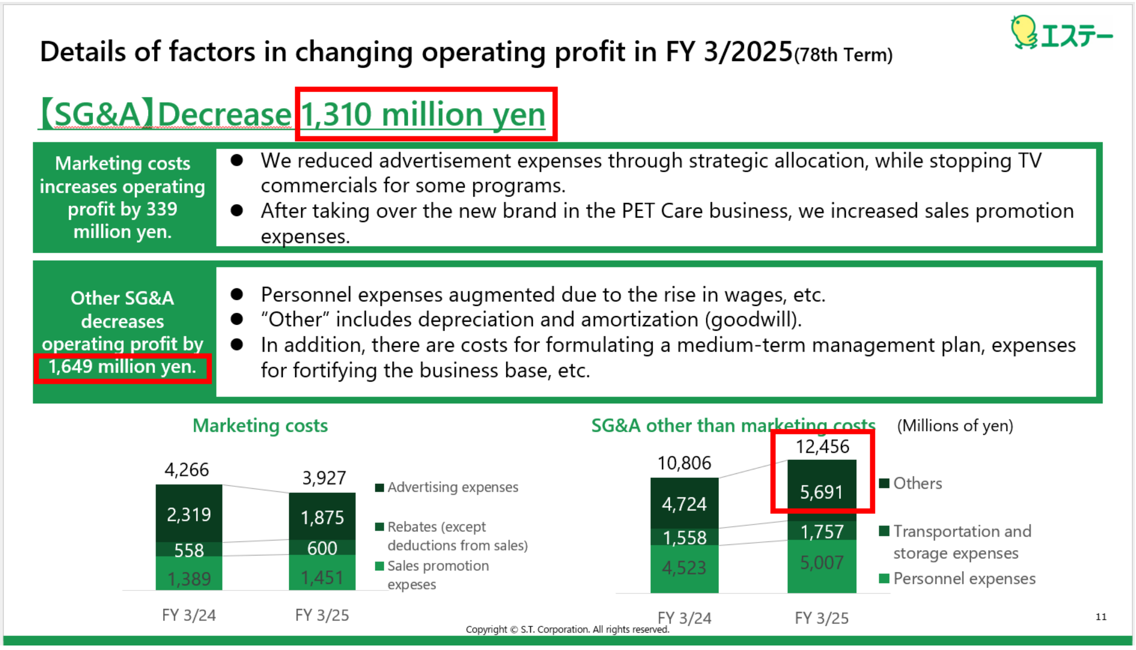


【After correction】

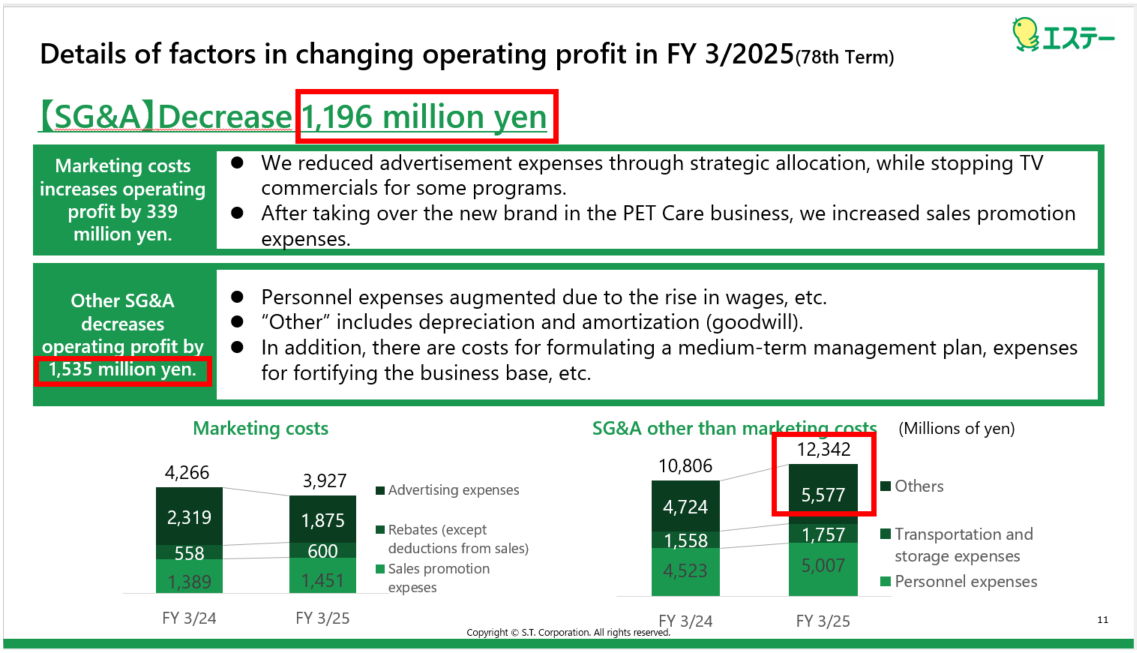


Material for the "Financial Results Briefing in FY3/25” : p.11

【Before correction】

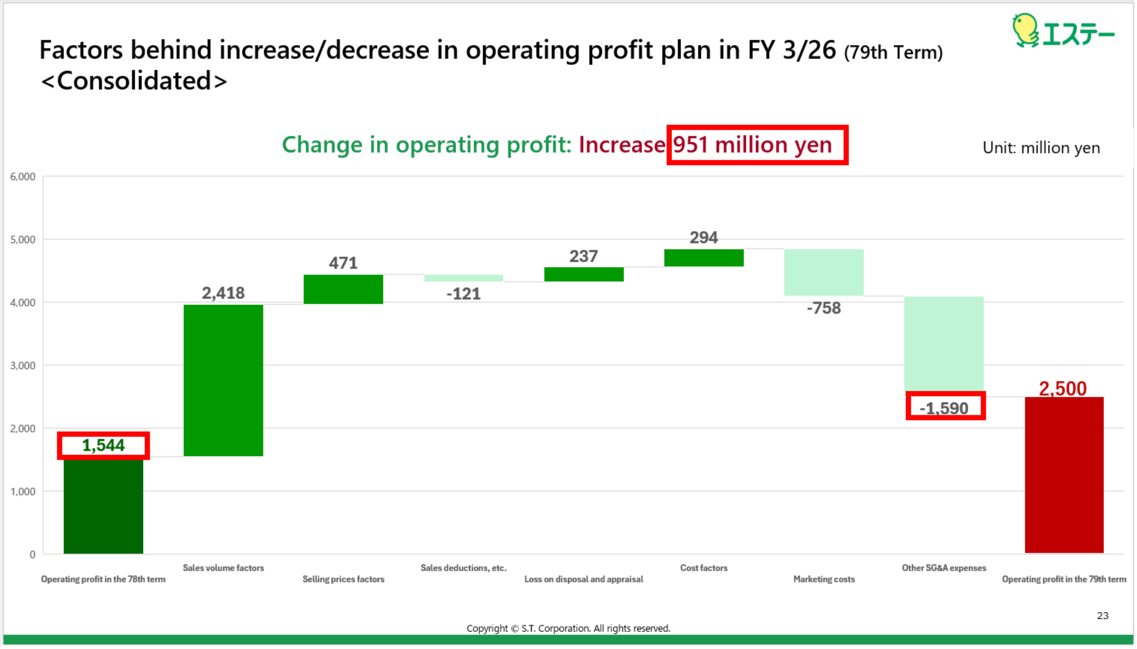


【After correction】

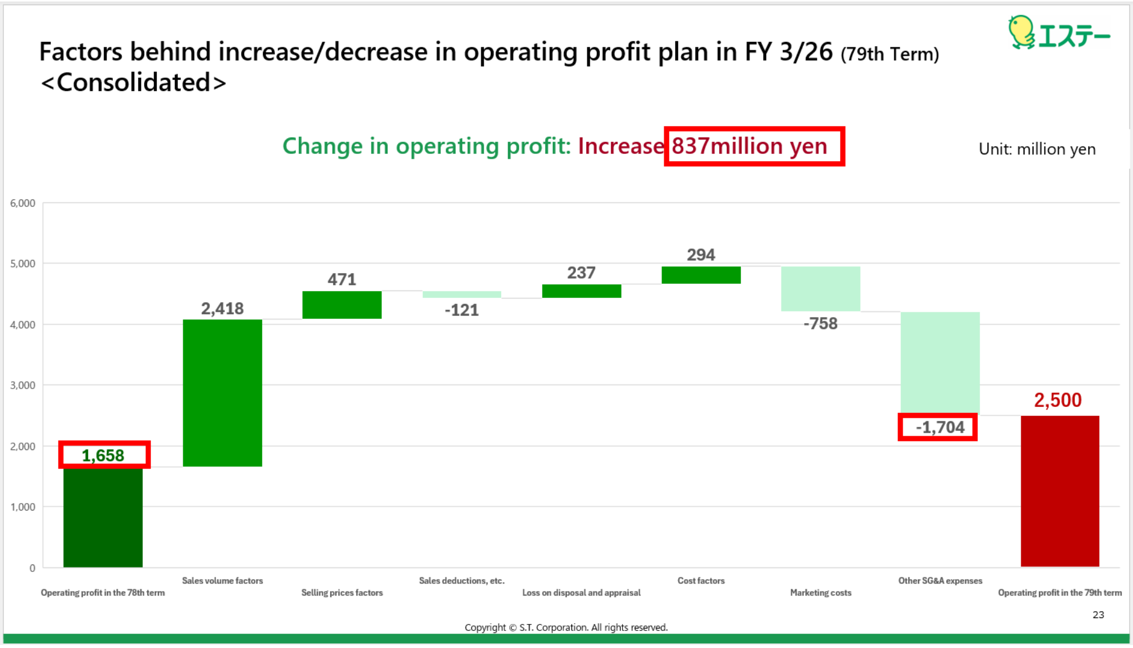


Material for the "Financial Results Briefing in FY3/25" : p.23

【Before correction】



【After correction】



Material for the "Financial Results Briefing in FY3/25" : p.24

【Before correction】

Forecast for FY 3/26 (79th Term) <Consolidated>

S.T.CORPORATION

Increase in net sales and profit

	Consolidated	YOY
Net sales	52.7 billion yen	109.5%
Operating profit	2.5 billion yen	161.8%
Ordinary profit	2.8 billion yen	142.1%
Profit attributable to owners of parent	1.6 billion yen	49.1%

Estimated dividend: 44 yen *Payout ratio: 57.4%

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【After correction】

Forecast for FY 3/26 (79th Term) <Consolidated>

S.T.CORPORATION

Increase in net sales and profit

	Consolidated	YOY
Net sales	52.7 billion yen	109.5%
Operating profit	2.5 billion yen	150.7%
Ordinary profit	2.8 billion yen	134.3%
Profit attributable to owners of parent	1.6 billion yen	56.4%

Estimated dividend: 44 yen *Payout ratio: 57.4%

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Material for the "Financial Results Briefing in FY3/25" : p.27

【Before correction】

Progress Toward the Financial Goals for the 80th Term (FY 3/27)

We did not achieve the goals in the 78th term, the initial fiscal year, but we left the goals for the 80th term unchanged, while implementing additional measures and new initiatives.

	77th term (FY 3/24)	78th term (FY 3/25)	79th term (FY 3/26)	80th term (FY 3/27)	78th term → 80th term
Revenue	44.4 billion yen	48.1 billion yen	52.7 billion yen	56.5 billion yen	＋8.5 billion yen
Operating profit	1.3 billion yen	1.5 billion yen	2.5 billion yen	4 billion yen	＋2.5 billion yen
Operating profit margin	3.0%	3.2%	4.7%	7.1%	+3.8pt
EBITDA	2.6 billion yen	3.1 billion yen	4.3 billion yen	5.4 billion yen	+2.2 billion yen
ROE	3.9%	9.9%	4.8%	8.3%	-1.6pt

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【After correction】

Progress Toward the Financial Goals for the 80th Term (FY 3/27)

We did not achieve the goals in the 78th term, the initial fiscal year, but we left the goals for the 80th term unchanged, while implementing additional measures and new initiatives.

	77th term (FY 3/24)	78th term (FY 3/25)	79th term (FY 3/26)	80th term (FY 3/27)	78th term → 80th term
Revenue	44.4 billion yen	48.1 billion yen	52.7 billion yen	56.5 billion yen	＋8.5 billion yen
Operating profit	1.3 billion yen	1.6 billion yen	2.5 billion yen	4 billion yen	＋2.3 billion yen
Operating profit margin	3.0%	3.4%	4.7%	7.1%	+3.6pt
EBITDA	2.6 billion yen	3.1 billion yen	4.3 billion yen	5.4 billion yen	+2.2 billion yen
ROE	3.9%	8.6%	4.8%	8.3%	-0.4pt

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3． The revised material is attached herewith.

Year Ended March 31, 2025 (78th Term)

Financial Results Briefing

May 12, 2025

S.T. Corporation

Today’s topics

① Report on the Financial Results Summary

② Full-year Earnings Forecast

③ Progress of the medium-term management reform plan, SMILE2027

Summary of the Business Performance in FY 3/25 (78th Term)

Net sales and profit increased.	● Net sales increased as we took over the brand "NYANTOMO" and added it to the PET Care Business, the sales of high value-added products in the AIR Care Business increased, and so on. ● Operating profit grew from the previous year.
Gross profit rose.	● Gross profit rose from the previous year, as the sales of products with a high gross profit margin increased although costs augmented due to the rise in procurement prices caused by the yen depreciation, the skyrocketing of raw material prices, etc.
SG&A augmented.	● Advertising expenses decreased. ● Personnel expenses, depreciation, and other SG&A augmented.

Highlights of the Business Performance in FY 3/25 (78th Term) <Consolidated>

エステー

Increase in net sales and profit

	Consolidated	Sales ratio	YOY	Vs. Forecast
Net sales	48.1 billion yen	100.0%	108.2%	97.8%
Operating profit	1.6 billion yen	3.4%	123.6%	82.9%
Ordinary profit	2.0 billion yen	4.3%	108.0%	90.6%
Profit attributable to owners of parent	2.8 billion yen	5.9%	222.4%	113.4%

ROE	8.6%	-	+4.7pt	-

Highlights of the Business Performance in FY 3/25 (78th Term) <Consolidated>

	FY3/24		FY3/25		
	Sales ratio	Sales ratio	Sales ratio	Sales ratio	YOY
Net sales	¥44.4 bn	100.0%	**¥48.1 bn**	**100.0%**	**108.2%**
Cost of sales	¥28.0 bn	63.1%	**¥30.1 bn**	**62.7%**	**107.6%**
Gross profit	¥16.4 bn	36.9%	**¥17.9 bn**	**37.3%**	**109.2%**
Selling, general and administrative expenses	¥15.0 bn	33.9%	**¥16.2 bn**	**33.8%**	**107.9%**
Operating profit	¥1.3 bn	3.0%	**¥1.6 bn**	**3.4%**	**123.6%**

Highlights of the Business Performance in FY 3/25(78th Term) <Consolidated>【Sales in each Business Category】

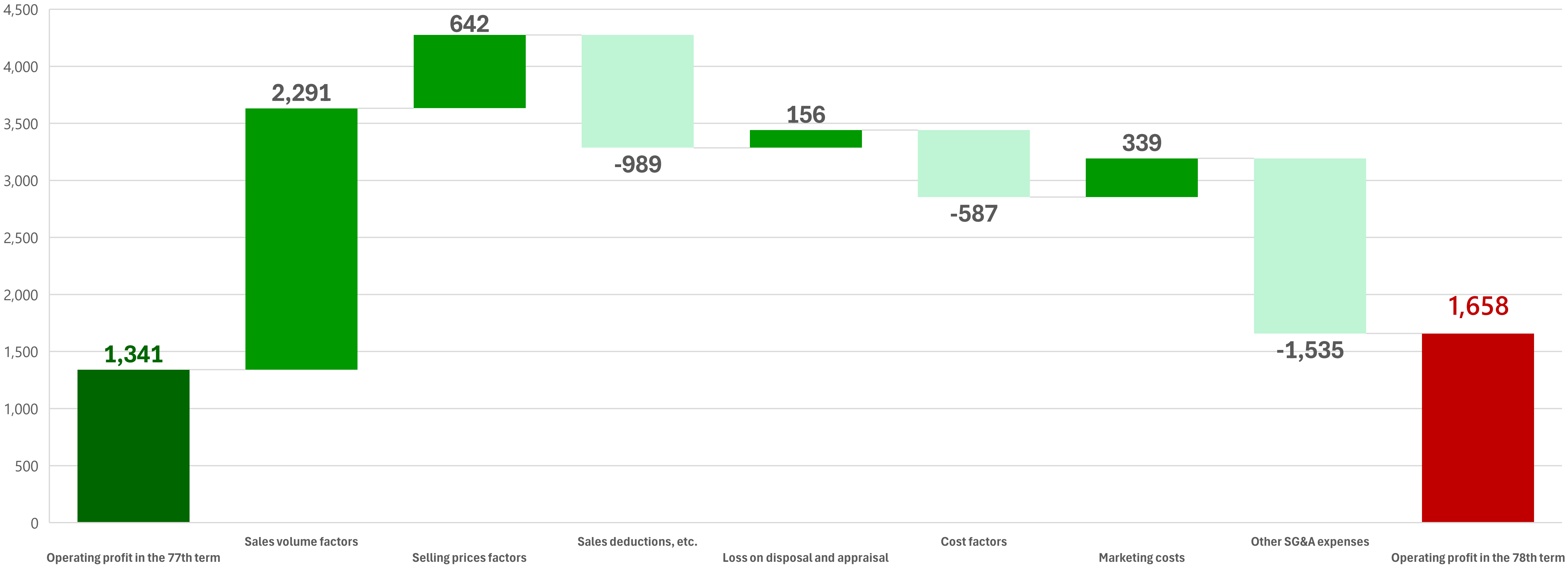
Category		Sales	YOY	Sales ratio
AIR Care	(Deodorizers/air fresheners)	21.1 billion yen	104.2%	43.9%
PET Care	(Goods for cat litter boxes)	3.5 billion yen	-	7.5%
CLOTH Care	(Mothproofing agents)	6.8 billion yen	95.7%	14.2%
HOME Care	(Food care/Cleaner etc.)	4.3 billion yen	104.3%	9.0%
HUMIDITY Control	(Dehumidifiers)	2.7 billion yen	95.9%	5.7%
THERMAL Care	(Disposable warmers)	4.0 billion yen	97.0%	8.5%
HAND Care	(Household gloves)	5.3 billion yen	95.2%	11.2%
Total		48.1 billion yen	108.2%	100.0%

(Notes) Year-on-year increase/decrease rate was calculated from the figures after the adjustment for PET Care (goods for cat litter boxes). Since the year-on-year increase/decrease rate for PET Care (goods for cat litter boxes) exceeds 1,000%, "-" is indicated.

Factors behind the Increase/Decrease in Operating Profit in FY3/25(78th Term) <Consolidated>

Change in operating profit: Increase 317 million yen

Unit: million yen



Details of factors in changing operating profit in FY 3/2025(78th Term)

【Sales volume factors】Increase 2,291 million yen

The increase in sales volume boosted operating profit by 2,291 million yen	● The PET Care business contributed to sales quantity the most. ● In the AIR Care business, "SHOSHURIKI Premium Aroma" and other products contributed

Details of factors in changing operating profit in FY 3/2025(78th Term)

【Selling prices factors】Increase 642 million yen

The increase in price increases operating profit by 988 million yen.

- Major products whose prices will increase from autumn onwards.

The decrease in price decreases operating profit by 346 million yen.

- The discount of prices for products whose manufacturing has been discontinued.

Details of factors in changing operating profit in FY 3/2025(78th Term)

【Sales deductions, etc.】Decrease 989 million yen

Deduction from sales (such as rebates), etc. decreases operating profit by 989 million yen.

Increased due to sales growth and promotional activities.

- The increase in rebates following the growth of sales from PET Care
- Rebates for AIR Care products increased in proportion to the sales growth. Meanwhile, rebates for mothproofing agents and disposable warmers decreased slightly.
- The ratio of rebates to sales was almost unchanged from the previous year.
- Rebates for items other than products and slotting fees augmented due to active sales promotion.

Details of factors in changing operating profit in FY 3/2025(78th Term)

S.T.CORPORATION

【Cost factors】Decrease 587 million yen

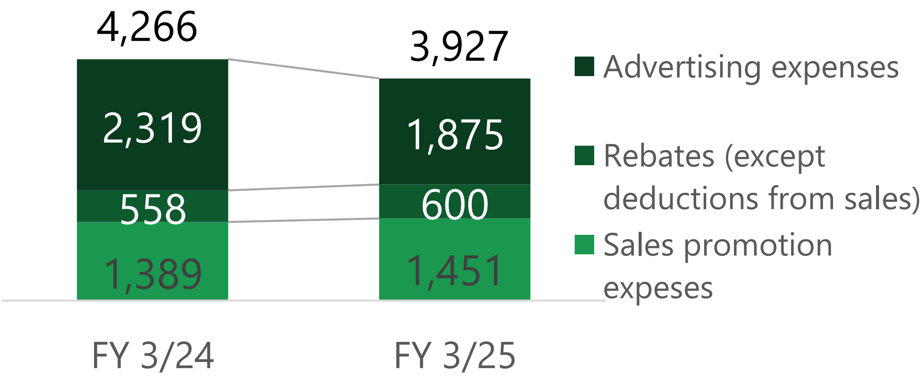
Reduction of manufacturing costs, etc. increases operating profit by 312 million yen.	● Change in formulation. ● Change in specs due to review of raw materials. ● Review and modification of containers for environmental conservation.
The rise in raw material prices, etc. decreases operating profit by 899 million yen.	● Molded plastic items, chemical raw materials, etc. ● Effects of exchange rate fluctuations. ● Increase in processing costs due to the rise in personnel expenses.

Details of factors in changing operating profit in FY 3/2025(78th Term)

【SG&A】Decrease 1,196 million yen

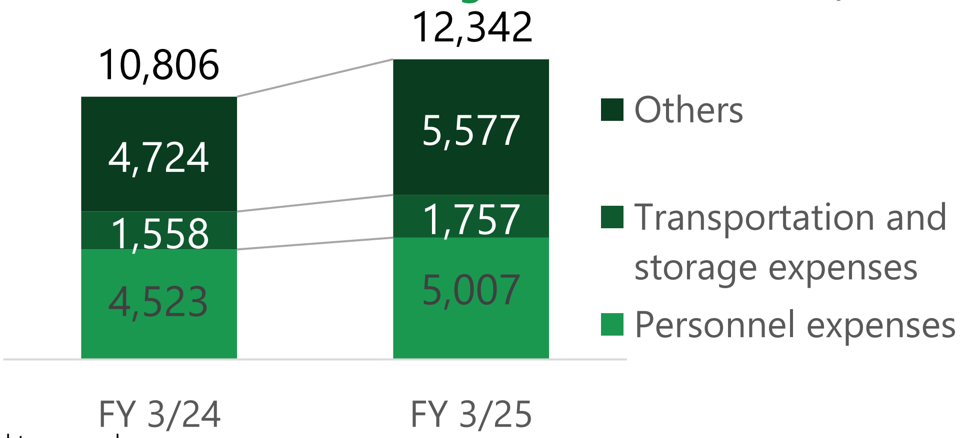
Marketing costs increases operating profit by 339 million yen.	● We reduced advertisement expenses through strategic allocation, while stopping TV commercials for some programs. ● After taking over the new brand in the PET Care business, we increased sales promotion expenses.
Other SG&A decreases operating profit by 1,535 million yen.	● Personnel expenses augmented due to the rise in wages, etc. ● “Other” includes depreciation and amortization (goodwill). ● In addition, there are costs for formulating a medium-term management plan, expenses for fortifying the business base, etc.

Marketing costs



SG&A other than marketing costs

(Millions of yen)



Situation of the Core Business in FY 3/25(78th Term)

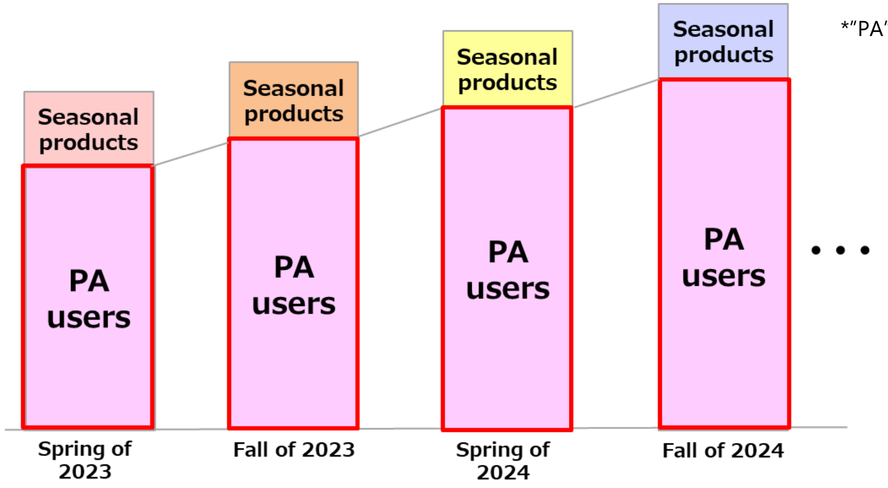
AIR Care Business (Deodorizers/air fresheners)

The sales of the AIR Care Business grew.

- Our share in the market of air fresheners rose 1.7 points, becoming the largest*. Seasonal products attracted customers, so users of "SHOSHURIKI Premium Aroma" increased.
- The new product "DASHUTAN for trash boxes" was released in March.
- The market share of deodorizers for refrigerators remained over 80%*, but sales declined slightly.

*Source:
INTAGE Inc. "SRI+" share in terms of amount (for each maker)
"Air fresheners"
Apr. 2024 to Mar. 2025 (Cumulative total in 1 year)
"Deodorizers"
Apr. 2022 to Mar. 2025 (Cumulative total in 3 years)

<Graph showing the increase of loyal users of PA>



*"PA" means "Premium Aroma"

<New products>

Situation of the Core Business in FY 3/25(78th Term)

PET Care Business

“NYANTOMO” was released, increasing sales.

- “NYANTOMO” sold well, so sales exceeded the forecast.
- We are expanding sales channels, by enhancing EC and increasing offline channels.
- We released the new series “SHOSHU PROFESSIONAL” based on our deodorizing technology in March.

Situation of the Core Business in FY 3/25(78th Term)

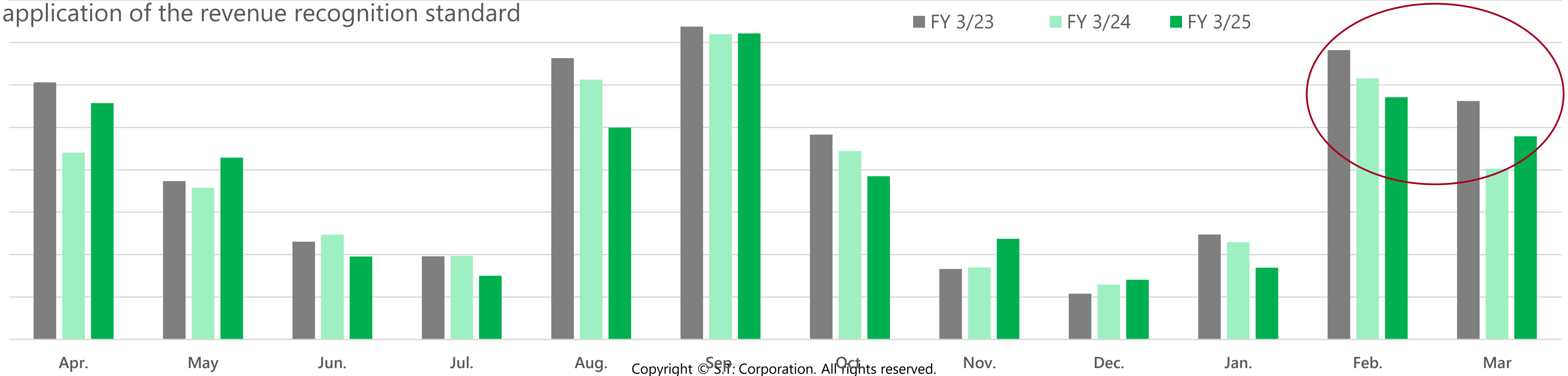
*Source: INTAGE Inc. "SRI+" share in terms of amount (for each maker)
"Mothproofing agents for cloths" (excluding those for dolls) Apr. 2024 to Mar. 2025 (cumulative total in 1 year)

CLOTH Care Business (Mothproofing agents)

The sales of the Cloth Care Business declined.

- Sales dropped, because of the stagnant shipment during the start-up period in Feb. to Mar. this spring.
- The estimated sales in the entire market of mothproofing agents for cloths rose 1.5% from the previous year, and our market share is 51.3%, unchanged from the previous year*.

<Monthly sales of mothproofing agents> before the application of the revenue recognition standard

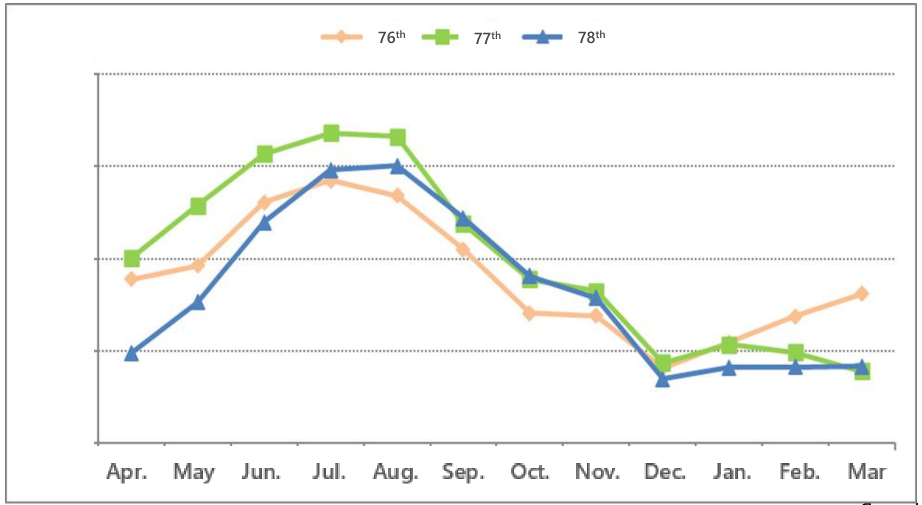


Inventory Status in FY 3/25 (78th Term)

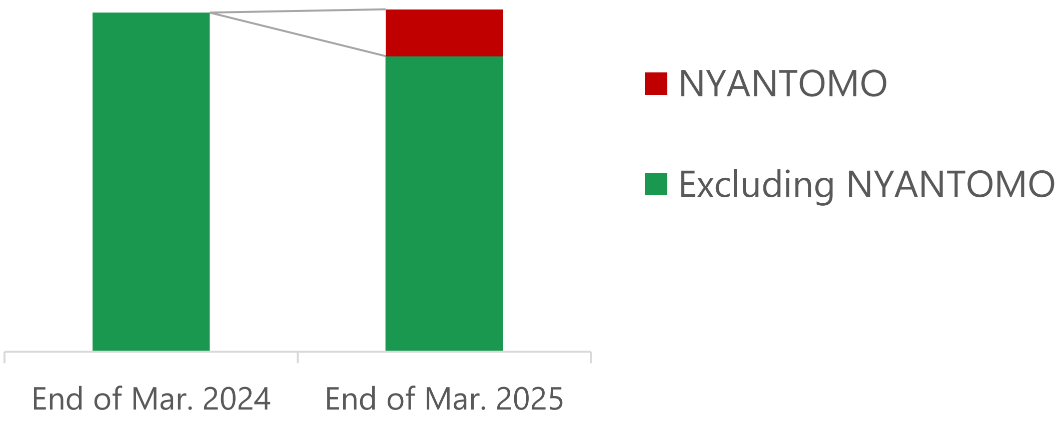
Reduction of Inventory and SKU

- The inventory as of the end of FY 3/25 was up 1% year on year.
  - Inventory increased as we took over the brand “NYANTOMO”
- When “NYANTOMO” is excluded, inventory value was 5billion yen, amount decreased significantly by 12.9% year on year.
- Achieved the goal of reducing the number of SKUs by 30% from the end of Aug. 2023.

<Variation in monthly inventory amount of products> Apr. to Mar.



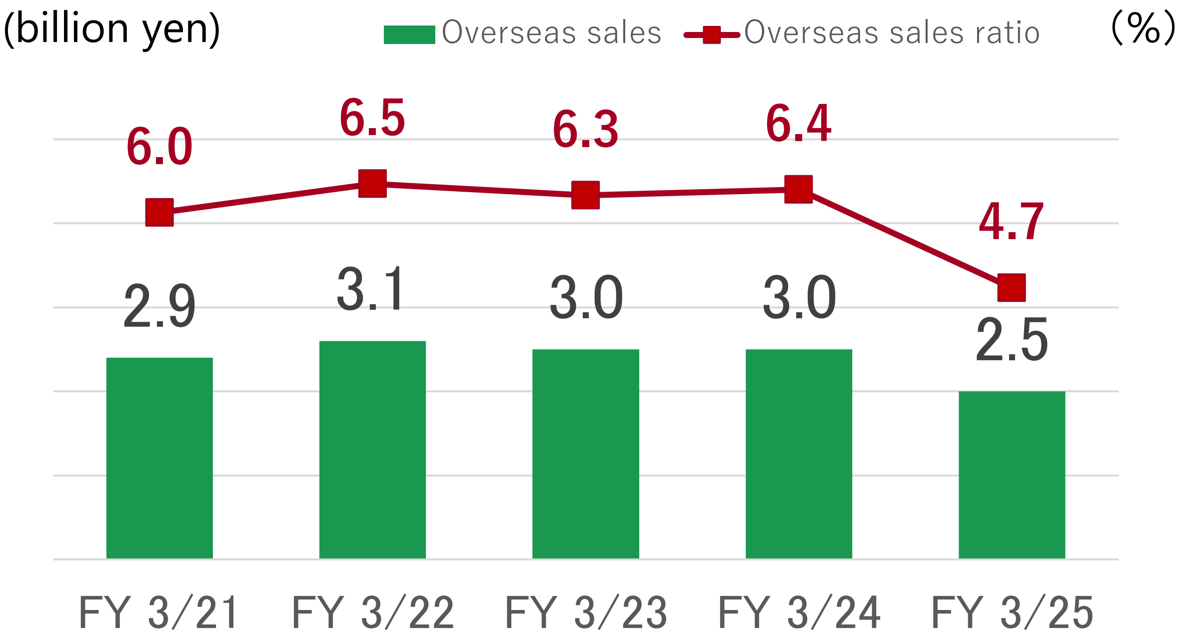
<Term-end inventory amount>
FY 3/24 and FY 3/25



Situations of the Overseas Business and the BtoB Business in FY 3/25(78th Term)

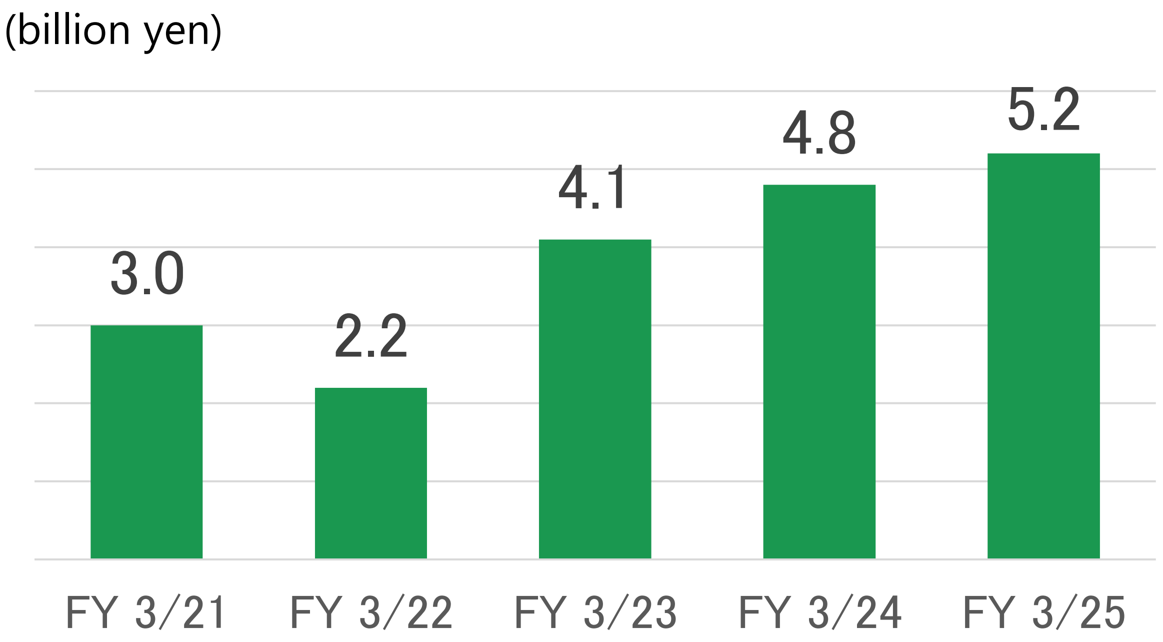
Variation in overseas sales

Consolidated results of the S.T. Group (before the application of the revenue recognition standard)



Variation in sales of the BtoB business

Sales of ST PRO CORPORATION (before the application of the revenue recognition standard)



*EC (BtoB) was transferred from S.T. CORPORATION in July 2022.

New BtoB Business in FY 3/25 (78th Term)

Service of coating bathrooms of hotels
(Launched in Feb. 2025)

Coating based on the technology of KeePer Technical Laboratory

Merits ・To improve the efficiency of cleaning of bathrooms of hotels
・To keep bathrooms immaculate for hotel guests

We aim to achieve sales of 400 million yen by 2027.

KeePer
技術修得
Technical Mastery

Today’s topics

① Report on the Financial Results Summary

② Full-year Earnings Forecast

③ Progress of the medium-term management reform plan, SMILE2027

Initiatives in FY 3/26 (79th Term)

To improve profitability and create new value

Remaining issues from the 78th term	Initiatives in the 79th term
Measures against the skyrocketing of costs	・Rise in prices of core products ・Cost reduction ・Revenue structure reform
Reduction of losses	・Reduction of return ・Optimal inventory (measures against stockouts and excessive inventory)
Value creation	・Response to changes in lifestyles ・Promotion of addition of high value
Strengthening of the management base	・Investment in non-financial capital (ESG, human resources, organizations, and DX)

“Measures Against the Skyrocketing of Costs” in FY 3/26 (79th Term)

Rise in prices of core products

We plan to raise the wholesale prices of the following products.

- Disposable warmers (excluding some products)
  From Aug. 2025
- “SHOSHURIKI for entrances/living rooms” and
  “SHOSHURIKI for toilets” From Sep. 2025

Up 3-35%

Cost reduction

- To change procurement methods, purchase materials from multiple companies, conduct value analysis and value engineering (VAVE), etc.

Revenue structure reform

- In the AIR Care business, we will shift to products with a high gross profit margin (new products, etc.).
- To earn gross profit by growing “KOMETOBAN” and “DASHUTAN CHARCOAL”

"Reduction of Losses" in FY 3/26 (79th Term)

Reduction of return	**To enhance the efforts to reduce return in marketing** ● To curtail the return of seasonal products and discontinued products (by stopping early order placement) ● To cooperate with the distribution sector for reducing the return of products (rebates for enlisting cooperation in rejecting return, etc.)
Optimal inventory	**To strengthen supply chain management (SCM)** ● To eliminate the cases of stockouts and excessive inventory by improving the SCM system

"Value Creation" in FY 3/26 (79th Term)

Response to changes in lifestyles

Shift from mothproofing agents to "storage care"

- We plan to release a new product from the "NOTE"series, which would redefine the category as "clean storage care for clothes."

This photo shows the current moth repellent.

Promotion of addition of high value

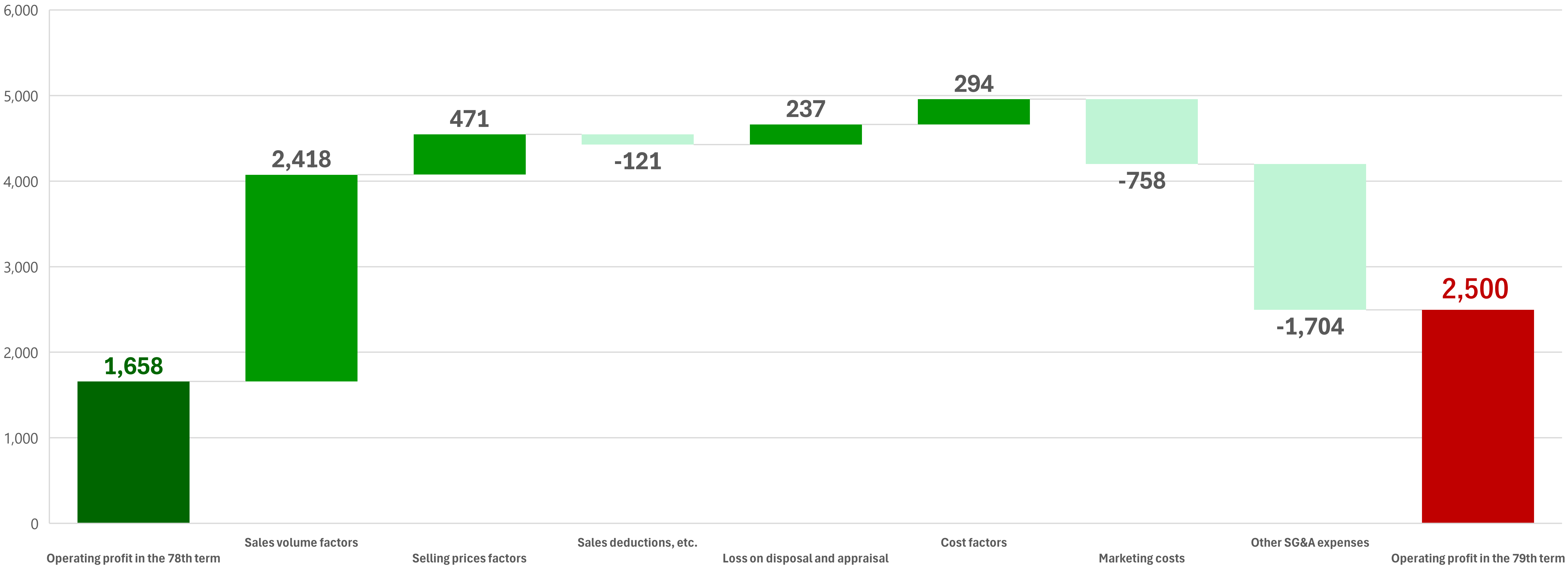
AIR Care

- To release a new product with a high gross profit margin, following "SHOSHURIKI Premium Aroma"

Factors behind increase/decrease in operating profit plan in FY 3/26 (79th Term) <Consolidated>

Change in operating profit: Increase 837million yen

Unit: million yen



Forecast for FY 3/26 (79th Term) <Consolidated>

S.T.CORPORATION

Increase in net sales and profit

	Consolidated	YOY
Net sales	52.7 billion yen	109.5%
Operating profit	2.5 billion yen	150.7%
Ordinary profit	2.8 billion yen	134.3%
Profit attributable to owners of parent	1.6 billion yen	56.4%

Estimated dividend: 44 yen *Payout ratio: 57.4%

Medium-Term Management Plan
－SMILE 2027－
< Apr. 2024 to Mar. 2027 >

Progress in the initial fiscal year

as of the announcement of financial results in FY 3/25

Overview of the Progress of the Medium-Term Management Plan SMILE 2027

- Overview of the progress after the initial fiscal year of the 3-year plan disclosed in May 2024. There is no change in the gist, but we have added measures for closing the gap between the initial plan and the results.

Our corporate policy, group-wide strategy, and numerical goals

Unchanged

【Our Purpose】 Ideas to touch the heart for moments with smiles

【Ideal state in 10 years】 From a daily necessities manufacturer to a wellness company

Strategies in four segments based on Growth Matrix

- Expansion of existing business
  Further strengthening of brand power
  Revenue growth through category redefinition
- Evolution of existing businesses
  Development of Pet-Care into a core business
  Sales of high value-added products in Air Care
- Strengthen B2B and overseas
  B2B : Shift from Hand Care to "Kuuki Business"(Air Care)
  Overseas : The focus on ASEAN
- Generation of new business
  Using CLEAR FOREST
  Generation of business for solving social issues

Numerical goals: sales of 56.5 billion yen, an operating profit of 4 billion yen, and an ROE of 8.3%

【Factors in the gap between the plan and the results】
Skyrocketing of manufacturing costs, personnel expenses, etc., augmentation of sales promotion costs, worsening of the product mix, sluggish performance of new products, and shrinkage of demand for seasonal change of clothing

Revisions and additional measures

<To reduce the ratio of cost of sales (1)>
To review and revise our measures for cost reduction and pricing

<Efficient and effective investment in markets>
To review and revise the system for managing marketing expenses

<To reduce the ratio of cost of sales (2)>
To improve the product mix and implement measures for preventing the return of products thoroughly

<Development of products for creating new value>
To launch a cross-sectoral project, involving the core business section and the R&D section

While retaining the framework for our group-wide strategies, we adapted to changes in the business environment and implemented our business strategies and strengthened our business base for attaining our goals.

Progress Toward the Financial Goals for the 80th Term (FY 3/27)

We did not achieve the goals in the 78th term, the initial fiscal year, but we left the goals for the 80th term unchanged, while implementing additional measures and new initiatives.

	77th term (FY 3/24)	78th term (FY 3/25)	79th term (FY 3/26)	80th term (FY 3/27)	78th term → 80th term
Revenue	44.4 billion yen	48.1 billion yen	52.7 billion yen	56.5 billion yen	＋8.5 billion yen
Operating profit	1.3 billion yen	1.6 billion yen	2.5 billion yen	4 billion yen	＋2.3 billion yen
Operating profit margin	3.0%	3.4%	4.7%	7.1%	+3.6pt
EBITDA	2.6 billion yen	3.1 billion yen	4.3 billion yen	5.4 billion yen	+2.2 billion yen
ROE	3.9%	8.6%	4.8%	8.3%	-0.4pt

Progress of the 4 Quadrants of the Growth Matrix SMILE 2027 in the Initial Fiscal Year

- Regarding the "enrichment of the existing business," which is a primary revenue source, operating profit margin fell below the forecast. The BtoB business and high value-added Air Care products performed well. In the "new business," there was a delay in investment plans.

Evolution of existing businesses

▪ Regarding Pet Care products, we enhanced the sales promotion of toilets for pet animals, but it is necessary to improve cost ratio.
⇒ **Planning of medium/long-term measures for cost reduction**

▪ The sales of high value-added products, such as SHOSHURIKI PREMIUM AROMA Series, grew.
⇒ **Products with new value are under development.**

Operating profit +1.6 billion yen ~

Low contribution due to infrastructure construction phase

Generation of new business

▪ Release of the femcare product "Luna Mine" and the in-vehicle air care "YOWAN"
⇒ **To the nurturing step after release**

▪ The development of some new businesses was suspended.

▪ We started the operation of Wellness Business Headquarters in Apr.
⇒ **New business model under development**

3-year investment period

Review investment plans

Expansion of existing business

▪ Occupied the largest share in the Air Care market in terms of annual sales*

▪ The sales of Cloth Care products fell below the forecast.
⇒ **To provide new storage care products**

▪ The skyrocketing of raw material prices and the augmentation of the expenses for managing the business base were not offset by cost reduction.
⇒ **To improve the product mix and raise the prices of products**

Operating margin +1pt～

Operating profit margin fell short of plan.

Strengthen BtoB and overseas

▪ For BtoB services, we launched the coating business in Feb., expanding sales routes for hotels.
⇒ **To expand the Air Care and Space Cleaning businesses**

▪ Outside Japan, we closed a Chinese flagship store, and integrated a Thai subsidiary for corporate rehabilitation.
⇒ **We are designing medium/long-term overseas growth strategies.**

Operating profit +600 million yen

Operating profit amounts are generally favorable.

*INTAGE Inc. "SRI+" share in terms of amount (for each maker) "Air Fresheners" Apr. 2024 to Mar. 2025 (cumulative total in 1 year)

Situation of the Business Portfolio Strategy

- In the core business, we secured sales, but…

		Situation in the initial fiscal year	Major initiatives in the remaining period (2 years)
Focus investment on strong growth	AIR Care (98.2% of the forecast sales)	・The campaign products of SHOSHURIKI PA and value-added products of the new series sold well. ・Deodorizing products were distributed among mainly young customers. *"PA" means "Premium Aroma"	・**To release new products** to offer new value ・To increase **the ratio of high value-added products in sales** ・Active investment in marketing
		・The sale of Air Care products in the BtoB business and the overseas business was delayed.	・In the BtoB business, we will **commercialize aroma space design.** ・In the overseas business, we will promote the Premium Air Care strategy.
		・The sales of core products of SHOSHURIKI were healthy. ・The sales of the new product SHOSHURIKICOMPACT fell below the forecast.	・For the core products of SHOSHURIKI, we will improve the revenue structure by **reducing costs, revising prices, taking environmental measures, etc.**
	PET Care (106.7% of the forecast sales)	・Release of NYANTOMO in June ・Offline sales channels expanded. ・Thanks to the favorable performance of EC, sales exceeded the forecast.	・**To promote the sales of packaged toilet products**, expand sales channels, and enhance digital ads via social media, etc. ・To improve profit margin by **implementing cost ratio reduction measures thoroughly** ・Active investment in the Pet Care domain
		・Cultivation of a new channel for Pet Care products	・To cultivate new B2B channels other than sale in the market ・To consider overseas business operation

[4 Quadrants]

Situation of Business Portfolio Strategies

[4 Quadrants]

- Delay in the revenue growth of the core business. For low-revenue businesses, we will undergo a fundamental review of strategies and take thoroughgoing measures for improving profit.

		Situation in the initial fiscal year	Major initiatives in the remaining period (2 years)
Thoroughly strengthen cash flow generation	CLOTH Care (90.7% of the forecast sales)	・The odorless type was displayed at stores less frequently. ・Start of the service of a timer for replacement ・Increase of returned products after the season	・To promote the **"new storage care" NOTE strategy** (domain expansion) ・To increase touch points for core MUSHUDA products ・Thoroughgoing measures for reducing the return of products ・Development of products for repelling ticks
	HOME Care (100.4% of the forecast sales)	・Exceeded plan due to strong sales of KOMETOBAN.	・**To improve the system for manufacturing KOMETOBAN**, and enhance sales promotion
	HUMIDITY Care (99.4% of the forecast sales)	・Sales were almost in line with the forecast, as we revised prices and improved the product mix.	・In accordance with the "new storage care" NOTE strategy, we will promote customers to **purchase mothproofing agents and dehumidifying agents together at the same time.**
Identify strategic shift based on profitability and growth potential	THERMAL Care (95.5% of the forecast sales)	・In the business revitalization project, we are drastically revising our strategy and strengthening our earning capacity based on the results of cost structure analysis and future performance prediction.	・To **continue thoroughgoing profit improvement plans**, such as the withdrawal of unprofitable products, the reform of the production system, price revision, and the reduction of return ・To determine a medium-term strategy based on our group-wide portfolio strategy
	Hand Care (99.7% of the forecast sales)		

Progress Toward the Non-financial Goals for the 80th Term (FY 3/27)

Progress in the first year was almost as planned. To create innovation, we will strengthen human resource development and DX utilization.

	77th term	78th term	Goals for the 80th term	Details of initiatives
Climate Change/CO_2 (GHG) Emission Reduction	S1＋S2 1,497t-CO_2	S1＋S2 999t-CO_2	Disclosure of Scope 3 emissions	Reduction of Scope 1 and 2 GHG emissions through the procurement of electric power generated by renewable energy For Scope 3, we roughly estimate the GHG emissions from major categories and identify sources. (The figures in the 78th term are the projected ones before the third-party guarantee.)
Resource Recycling/Plastic Reduction	–	–		Through the rough estimation of Scope 3 emissions, we found that the sources are Cat 1 (purchased products and services) and Cat 12 (disposal of sold products), so we will discuss the "reduction of environmental burdens (GHG emissions)" when designing products.
◇ Feel rewarded for working	71.3%	79.8%	80% or higher	To set challenging items in the evaluation system, and hold 1-on-1 meetings between employees and superiors.
◇ Satisfaction with work-life balance	73.3%	73.8%	80% or higher	To discuss the correlation between working hours and workloads, and measures for streamlining business operations
◇ Performance Demonstration Level ＊	81.6%	86.3%	85% or higher	To discuss factors in improving performance and measures for attaining goals continuously
Ratio of female managers (*Results of S.T. CORPORATION as of Apr. 1, 2025)	22.1%	22.3%	30% or higher	Nominate women for management aptitude screening as candidates for next-generation leaders.Percentage of full-time female employees = female participation rate in management aptitude screening (47%)Promoting the creation of a system for training and accumulating candidates for management positions.

The indicators with ◇ are based on our engagement survey.

＊Under the assumption that the performance of healthy employees who have no illness or injury is 100%, the performance of employees in the past 4 weeks was evaluated.

Progress of Cash Allocation

- Investment in M&A for the Pet Care business, which is our core business. Regarding value creation, we plan to invest in the base for business development in the 78th term and in implementation in the 79th term.

Source of investment

- Utilization of borrowing (+α)
- Utilization of cash on hand (~3 billion yen)
- Operating CF (11 billion yen)

Cash allocation policy			Overview of the progress in the initial fiscal year ended Mar. 2025
Investment for growth in high value-added areas (8 billion yen +α)	Utilize M&A, etc. necessary for discontinuous growth		- Acquired the business of manufacturing and selling "NYANTOMO CLEAN TOILET" of Kao.
	Strengthening value creation ability	Strengthen research and development	- Projects for developing products to create new value and seeking research seeds
		Securing and developing human resources	- Young staff developing program "Next" and systems for evaluating endeavors and new remuneration
	Business portfolio restructuring		- The structural reform for the less-profitable business will be planned in the 78th term and put into practice in the 79th term.
Productivity improvement investment (2.5~3.0 billion yen)	Promotion of DX		- We are developing a new management accounting system. We will adopt the generative AI "STAiBLE."
	Building a production system		- To capital investment in the manufacturing lines for major Air Care products, to improve utilization rate
Returns to shareholders (~3 billion yen)	Dividends and Share Buybacks		- Enrichment of shareholder return based on stable dividend payment (targeting a DOE of 3%)

Summary: Important Points in the Remaining Period for Achieving "SMILE 2027"

- Reviewing the progress so far, we will study the factors in the difference from the forecast and identify issues, and then implement the following measures in order to attain the goals of SMILE 2027.

To reform the revenue structure based on the business portfolio strategy ⇒ "Earning capacity"

To develop new products to create new value ⇒ "To accumulate revenue"

To design new strategies for the overseas business and create new businesses ⇒ "To sow seeds of growth"

To find and train personnel who can take on challenges ⇒ "To trigger innovation"

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【Notes on the business forecasts】The items included in this material are based on a variety of premises, and do not assure or guarantee that the numerical forecasts and policies herein will be realized.

*The figures are rounded down.