

Year Ended March 31, 2022 (75th Term)

Financial Results Briefing

April 27, 2022

S.T. Corporation

Takako Suzuki, President & CEO

The year-on-year comparisons have been estimated in accordance with the Accounting Standard for Revenue Recognition.

① Report on the Financial Results Summary

② Business Strategies for the New Fiscal Year

- **Sales and profit decreased.**
- **The mainstay business delivered satisfactory results.**
- **Revenue from the HAND Care Business dropped after the temporary rise amid the Covid-19 pandemic.**
- **The THERMAL Care Business had a impairment loss.**

Sales and profit decreased

	Consolidated	Compared to the initial forecast	Rate of increase/decrease on the premise that the new accounting standard was applied in the previous fiscal year
Net sales	¥45.5 bn.	95.7%	99.1%
Operating income	¥3.2 bn.	84.8%	96.1%
Ordinary income	¥3.5 bn.	88.5%	94.4%
Profit attributable to owners of parent	¥1.2 bn.	42.7%	46.6%
Comprehensive income attributable to owners of parent	¥267 mil.		

Dividend: ¥38 (¥37 in the previous fiscal year)

Highlights of the Business Performance inFY3/22

<Consolidated>



	FY3/22		Sales ratio on the premise that the new accounting standard was applied in the previous fiscal year
	Actual	Sales ratio	
Net sales	¥45.5 bn.	-	-
Cost of sales	¥27.7 bn.	60.8%	61.7%
Gross profit	¥17.8 bn.	39.2%	38.3%
SG&A expenses	¥1.5 bn.	32.1%	31.0%
Operating income	¥3.2 bn.	7.1%	7.3%

Highlights of the Business Performance in FY3/22

<Sales in each Business Category>



Business category		Sales	Composition ratio	Rate of increase/decrease on the premise that the new accounting standard was applied in the previous fiscal year
AIR Care	(Deodorizers/ air fresheners)	¥ 20.0 bn.	44%	101%
CLOTH Care	(Mothproofing agents)	¥ 8.2 bn.	18%	99%
THERMAL Care	(Disposable warmers)	¥ 4.4 bn.	10%	110%
HAND Care	(Household gloves)	¥ 5.8 bn.	13%	88%
HUMIDITY Care	(Dehumidifiers)	¥ 2.8 bn.	6%	90%
HOME Care	(Other)	¥ 4.2 bn.	9%	108%
Total		¥ 45.5 bn.	100%	99%

Factors behind the Increase/Decrease in Operating Income in FY3/22

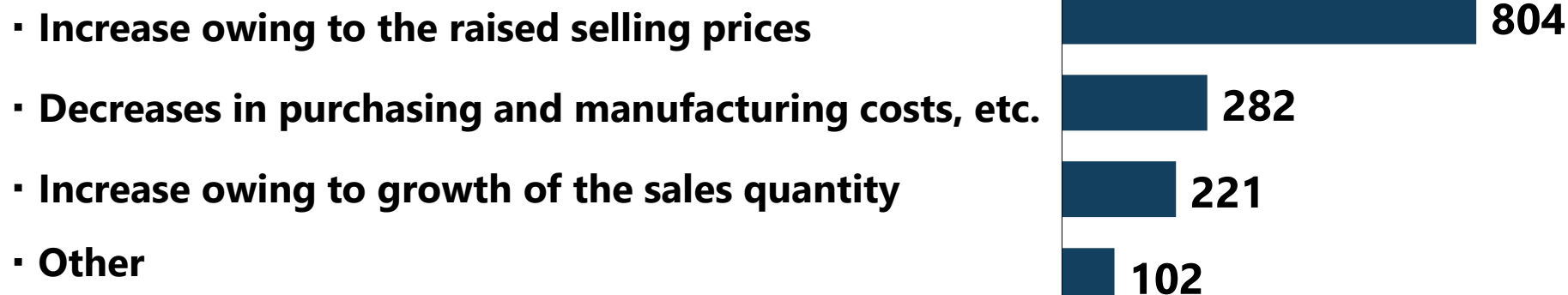
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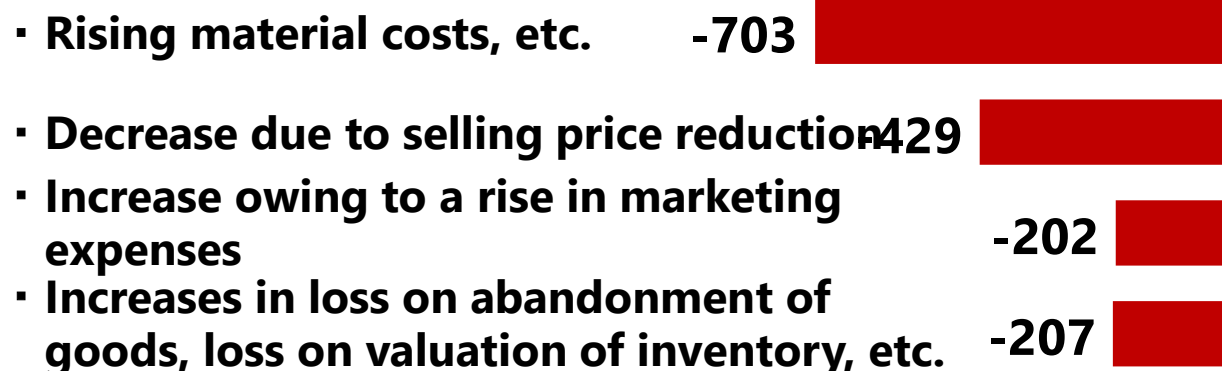
Increase/decrease in operating income

Operating income decreased ¥130 mil.

Factors behind increase



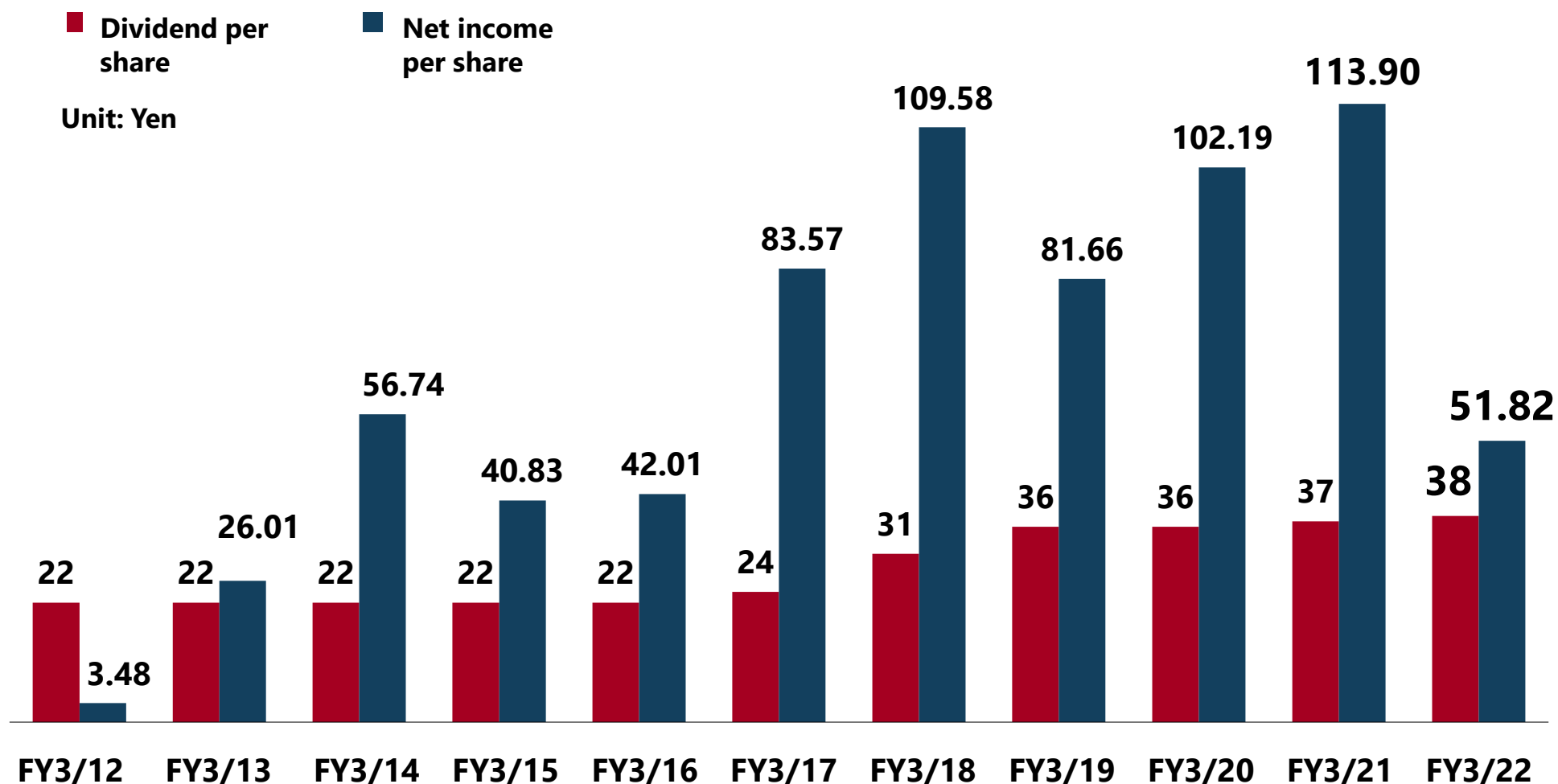
Factors behind decrease



Unit: Million yen

Toward continuously stable dividend payment

*Payout ratio: 73.5%



High-value added products yielded satisfactory results

High-value added products for home use produced satisfactory results.

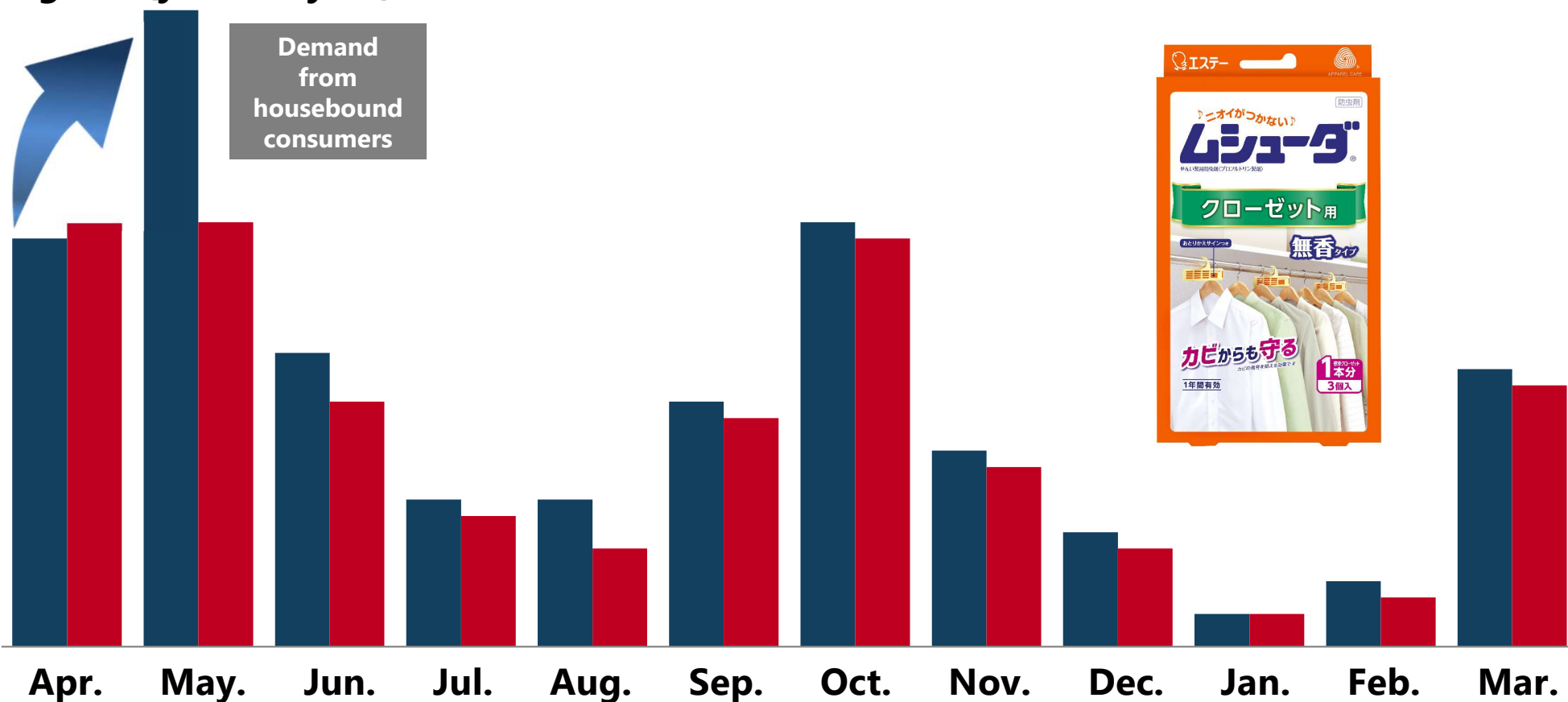
Products for vehicles and industrial use started to follow a recovery trend.



Business performance was on a par with that in an average year because demand from housebound consumers subsided

Scale of the market of mothproofing agents (year-on-year)

■ FY3/21 ■ FY3/22



Source: Data on mothproofing agents (excluding ones for dolls) (based on an estimated sales scale and amount) by INTAGE Inc. SRI+

Business performance was affected by a decrease in people's hygiene awareness and price fluctuations

Scale of the market of household gloves (year-on-year)

■ FY3/21 ■ FY3/22

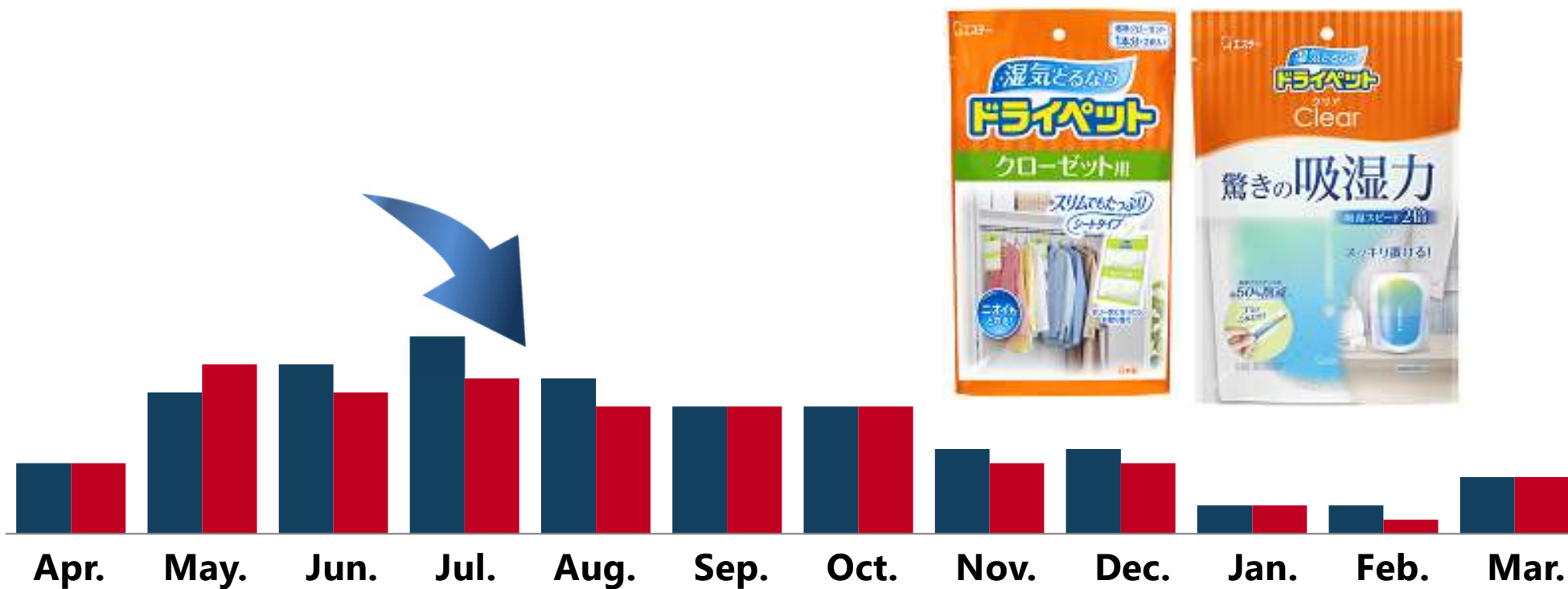


Source: Data on household gloves (based on an estimated sales scale and amount) by INTAGE Inc. SRI+

Business performance was affected by low rainfall in the rainy season

Market scale of dehumidifiers
(year-on-year)

■ FY3/21
■ FY3/22



Source: Data on dehumidifiers (based on an estimated sales scale and amount) by INTAGE Inc. SRI+

Demand for hygiene products and products for eating at home continued to be healthy

Sales of Dashu-Tan	98.3% year on year
Sales of Kome-Touban	103.5% year on year
Sales of laundry tub cleaners	123.8% year on year

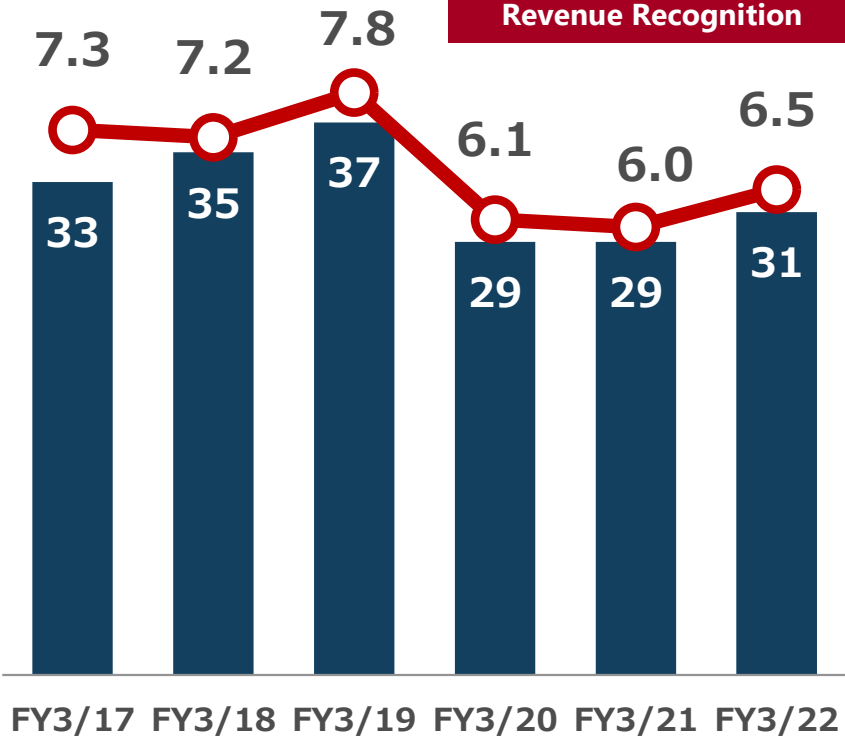


Business grew in Thailand and China amid structural reform

Variation in overseas sales (Consolidated)

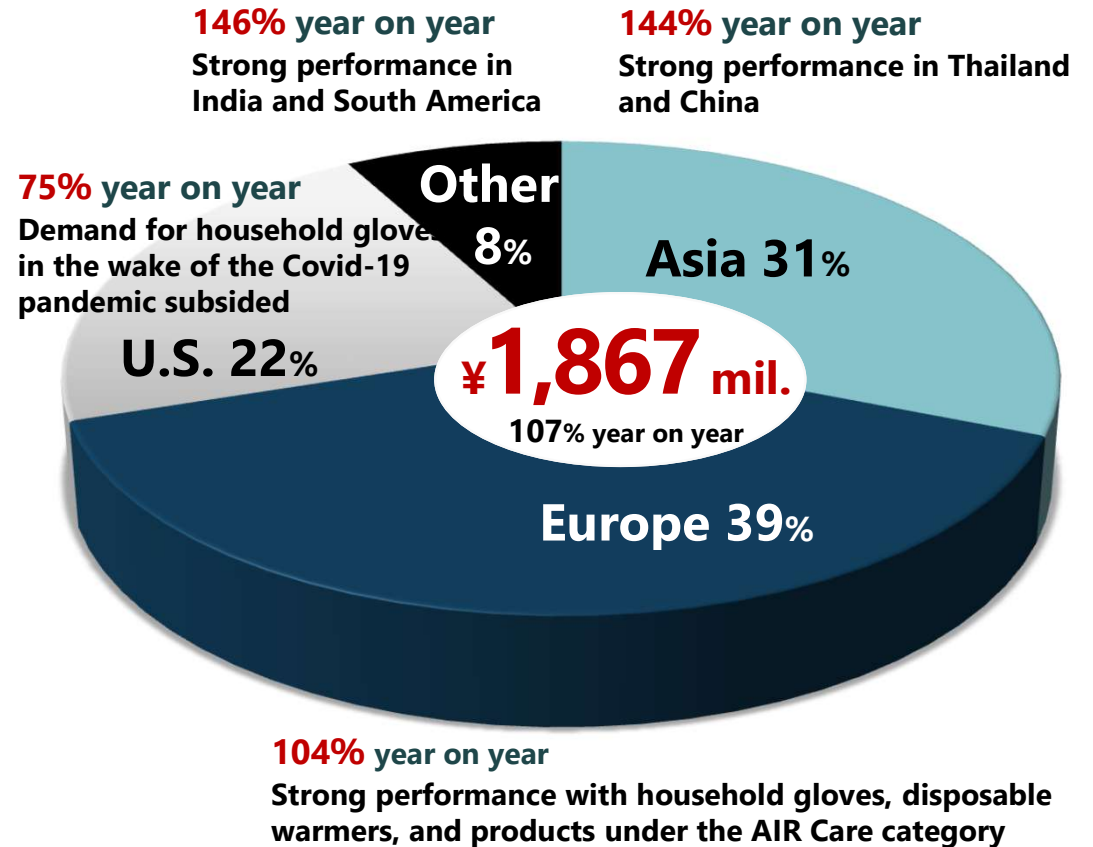
Unit: 100 million yen

Before adoption of Accounting Standard for Revenue Recognition



■ Sales overseas ● Ratio of sales overseas

Composition of overseas sales (by region)



Cost of sales ratio improved

Cost of sales ratio

61.7%

(FY3/21)



60.8%

(FY3/22)

Cost of sales ratio on the premise
that the new standard was applied

Costs of Shoshu-Riki, products under the THERMAL Care category, and Kome-Touban went down.

The existing businesses delivered powerful performance while the new businesses did not achieve the forecast performance

Policy for FY3/22	Major approaches	Progress
Solidify the revenue structure of the existing businesses	AIR Care: Occupy the largest share	Enriched Shoshu-Riki Premium Aroma and DEOX
	CLOTH Care: Maximize profit	Focused on the mite-proofing agent market
Enhance resources for growth engines	Overseas: Focus on Asia	Launched Shoshu-Riki Premium Aroma
	B2B: Strengthen S.T. PRO	Had difficulty in delivering satisfactory business performance with household gloves and industrial products
	E-commerce: Develop products for exclusive sale and marketing methods	Expanded products for exclusive sale
	THERMAL Care: Develop year-round products and markets for the products	Faced an environment of intensifying competition
Enter and grow new business fields and markets	Clear Forest: Create new businesses	Launched S.T. Pet
	Market of industrial disinfectants: Enhance approaches to take	Business performance with industrial products started to follow a recovery trend
	Futuristic AIR Care products: Start development	Started a project

Drastic revision of strategies

The trend of warm winter continued.

Overseas business operation stagnated due to the Covid-19 pandemic.

Development of new products was behind schedule.

Competition in the markets in Japan intensified.

Toward an organizational structure that thoroughly pursues the customer first policy

Unify marketing strategies designed for Japan and overseas.

Increase the power of creating markets that will open up the future.

Strengthen the governance and risk management systems.

**To become
a general marketing company**

① Report on the Financial Results Summary

② Business Strategies for the New Fiscal Year

Drastic reform of the revenue structure of the existing businesses

Concentration of resources on growth areas

Clarification of a business development system

Formulation and disclosure of long-term ESG strategies

AIR Care: No. 1 global growth

Enhance high-value added products

Continuously strengthen area marketing



CLOTH Care: Taking in new demand

Satisfy diversifying storage styles

Grow neighboring categories



Selection and concentration

Review unprofitable and slow-growth products

Reallocate resources to growing areas

Enhance the business investment system

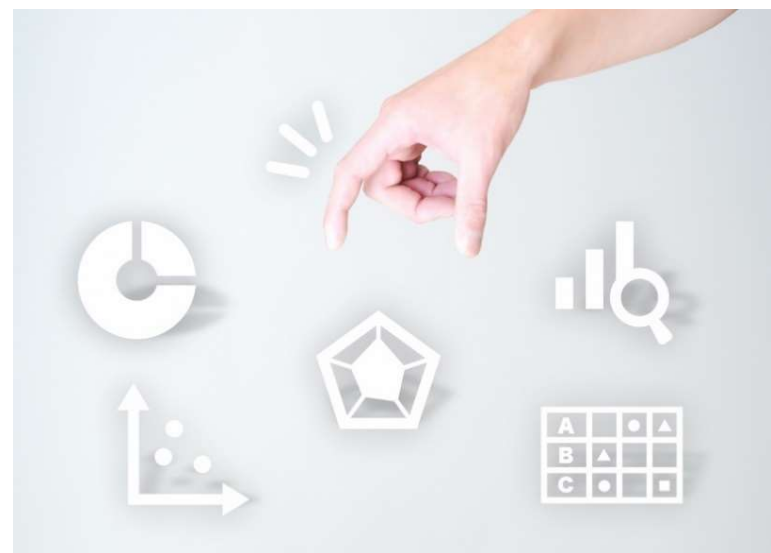


Enhancement of the power of creating markets for opening up the future

Newly establish a new business development department

New industrialization process

Marketing investment for market creation



**For improving corporate value
over the medium and long term**

Launch a corporate value creation department

Formulate more strategic long-term ESG strategies

Strategize personnel affairs for realizing the strategies

Air Refreshing Action 2030

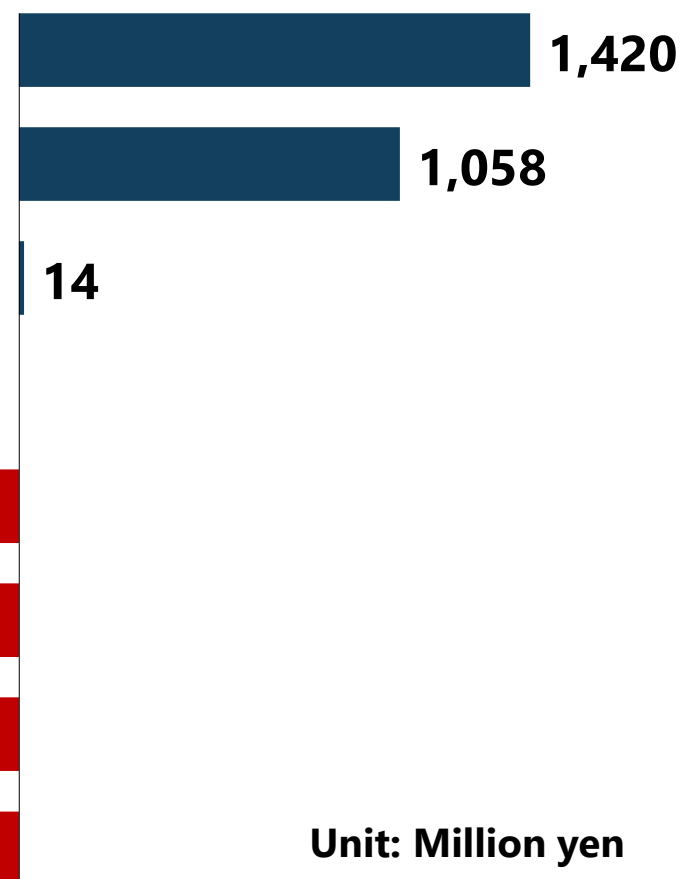
Operating income will decrease by 670 million yen due to an increased investment for growth

Factors behind increase

- Increase owing to an increase in the sales quantity, etc.
- Reduction in the cost
- Raised selling prices

Factors behind decrease

- Increase in raw materials cost
- Sales deduction (such as rebates)
- Increase in marketing expenses
- Other
(such as system-related depreciation cost, examination/research cost, labor cost, and activity cost)



Unit: Million yen

The First Year of Rebirth <Groundwork>

	Consolidated	YOY
Net sales	¥47.5 bn.	104.5%
Operating income	¥2.5 bn.	79.2%
Ordinary income	¥2.8 bn.	82.6%
Profit attributable to owners of parent	¥1.9 bn.	165.0%

Estimated dividend: ¥40

***Payout ratio: 46.8%**

**To become
a company loved by
stakeholders**



S.T. Corporation **<https://www.st-c.co.jp/>**

【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.