

Year Ending March 31, 2023 (76th Term)

Second Quarter

Financial Results Briefing

November 8, 2022

S.T. Corporation

Takako Suzuki, President & CEO

① Report on the Financial Results Summary

② Full-year Earnings Forecast

- **Sales and profit decreased.**
- **AIR Care business performed well, but the mothproofing agents business declined.**
- **The prices of raw materials hiked and exchange rates fluctuated more considerably than expected.**
- **The performance in the first half was affected by the decrease in the selling prices of household gloves.**

Sales and profit decreased

	Consolidated	Sales ratio	Vs. Forecast	YOY
Net sales	¥23.4 bn	-	95.3%	99.9%
Operating Income	¥1.6 bn	7.0%	94.3%	63.8%
Ordinary Income	¥1.8 bn	7.9%	97.2%	68.0%
Profit attributable to owners of parent	¥1.2 bn	5.2%	101.6%	66.0%
Comprehensive income attributable to owners of parent	¥1.2 bn			

Dividend: ¥20 (¥19 in the previous fiscal year)

Highlights of the Business Performance in 2Q of FY3/23

<Consolidated>

	2Q of FY 3/23		
	Actual	Sales ratio	YoY
Sales	¥23.4 bn	-	99.9%
Cost of Sales	¥14.0 bn	59.9%	103.9%
Gross Profit	¥9.4 bn	40.1%	94.4%
SG&A Expenses	¥7.8 bn	33.1%	105.2%
Operating Income	¥1.6 bn	7.0%	63.8%

Highlights of the Business Performance in 2Q of FY 3/23

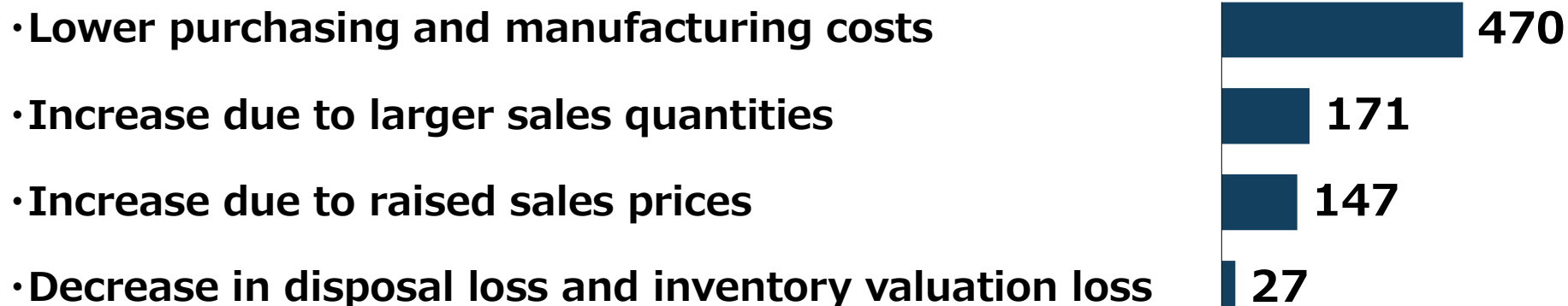
<Sales in each Business Category>

Business Category		Sales	Composition ratio	YoY
AIR Care	(Deodorizers/air fresheners)	¥10.7 bn	46%	100%
CLOTH Care	(Mothproofing agents)	¥4.4 bn	19%	93%
THERMAL Care	(Disposable warmers)	¥1.1 bn	5%	124%
HAND Care	(Household gloves)	¥2.9 bn	12%	100%
HUMIDITY Control	(Dehumidifiers)	¥1.9 bn	8%	101%
HOME Care	(Other)	¥2.4 bn	10%	103%
Total		¥23.4 bn	100%	100%

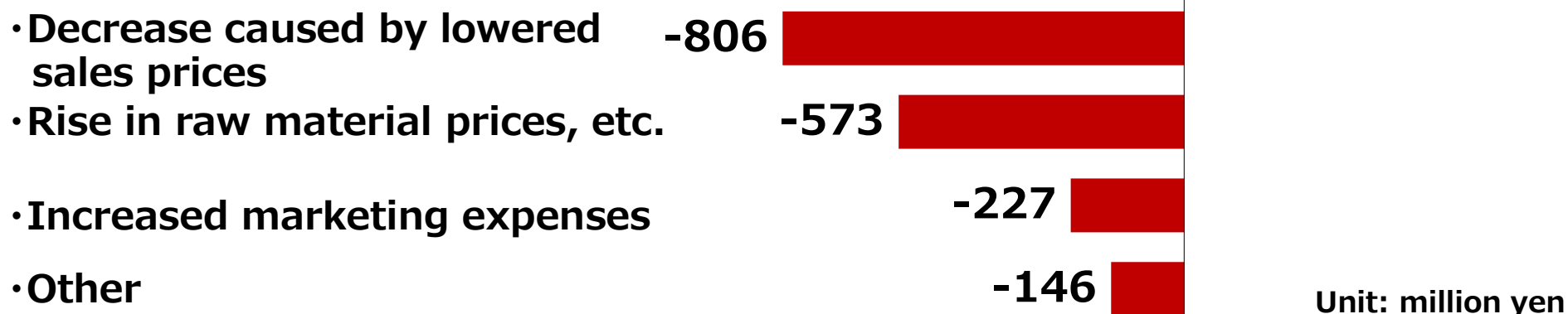
Factors behind the Increase/Decrease in Operating Income in 2Q of FY3/23 <Consolidated>

Increase/decrease in operating income Operating income decreased ¥930 mil.

Factors behind Increase



Factors behind Decrease

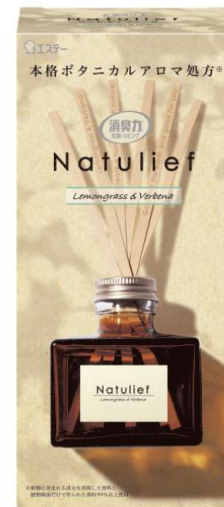


Unit: million yen

Products with high added value sold well.

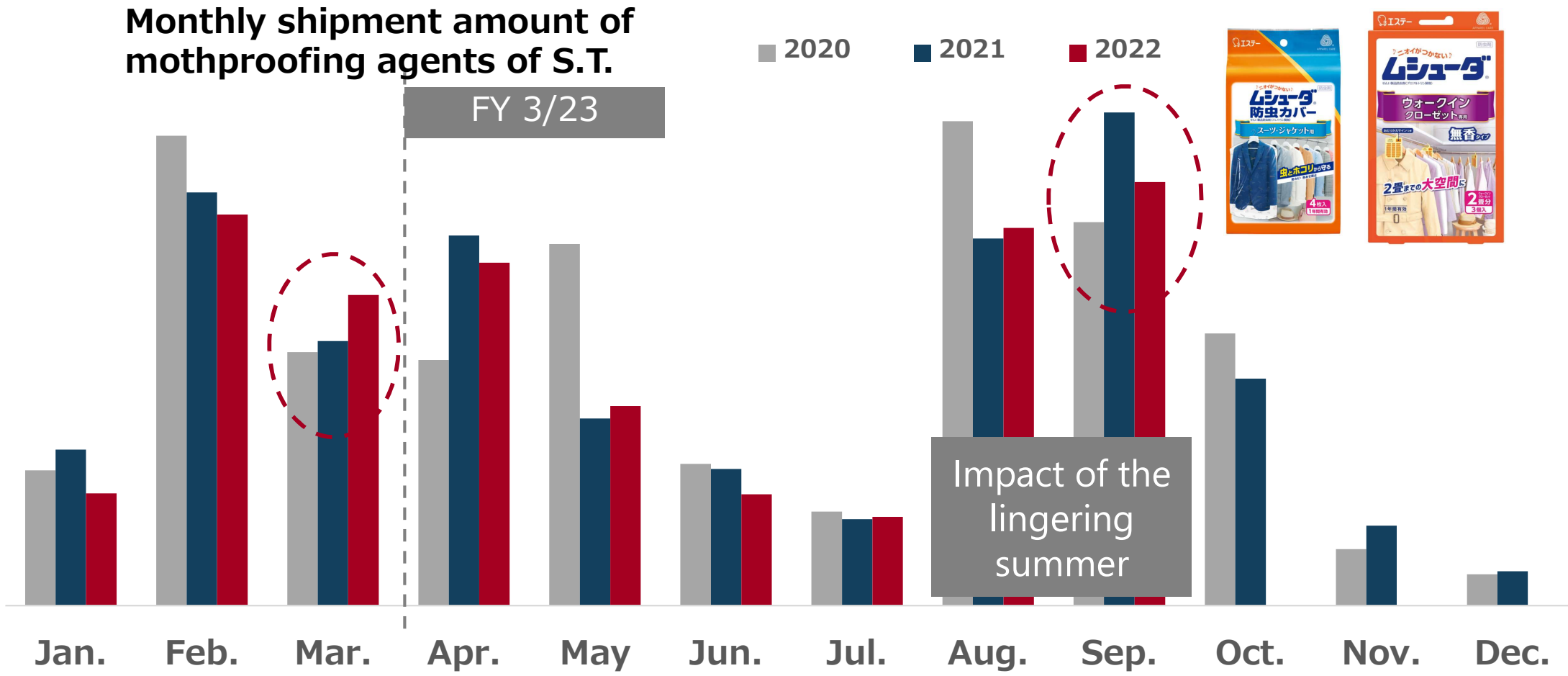
The sales of products with high added value were healthy.

New products contributed.



The spring demand came earlier while the fall demand came later than usual.

Monthly shipment amount of mothproofing agents of S.T.



Spring clothing change season
Market 95.9% of the amount in the previous year

Fall clothing change season

Demand for hygiene and meals at home remains strong.

Sales of Dashu-Tan	101.6% year on year
Sales of Kome-Touban	110.0% year on year
Sales of laundry tub cleaners	106.7% year on year



From the TV commercial of Kome-Touban

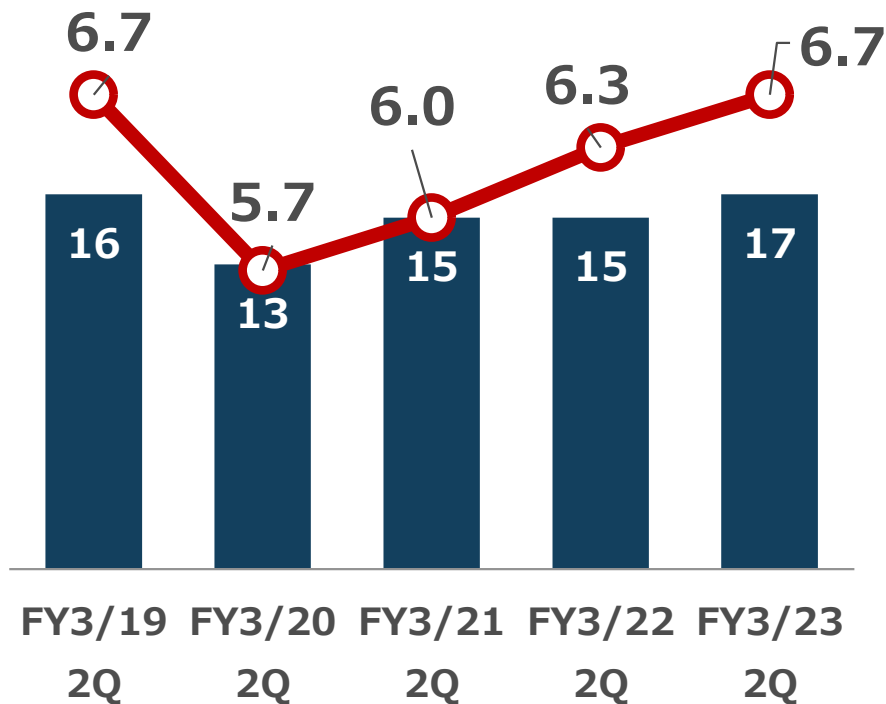
Strategic withdrawal from the household glove business in Europe

Variation in overseas sales (Consolidated)

Composition of overseas sales (by region)

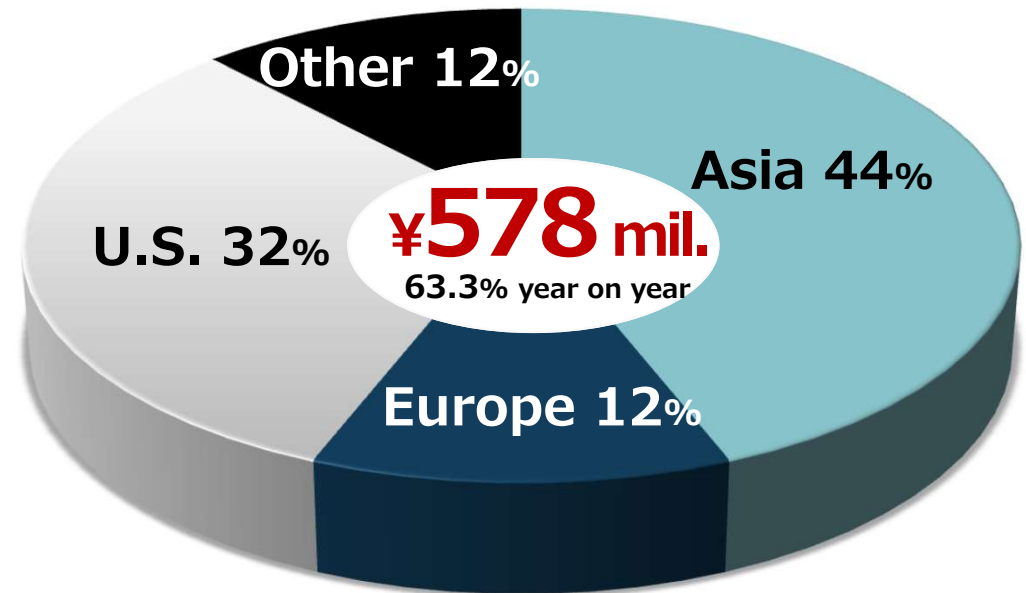
Unit: 100 million yen

■ Overseas sales ● Overseas sales ratio



108% year on year
In other regions, disposable warmers sold well in Latin America.

100% year on year
In Asia, AIR care products sold well.



106% year on year
In the U.S., all products sold well.

16% year on year
In Europe, we withdrew from the household glove business.

**Cost of sales ratio rose
more considerably than expected.**

Cost of sales ratio

57.6%

(2Q of FY 3/22)



59.9%

(2Q of FY 3/23)

**Discount of selling prices of Industrial glones,
skyrocketing of prices of raw materials, and
exchange rate fluctuations**

① Report on the Financial Results Summary

② Full-year Earnings Forecast

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

Continuous global growth of No.1 AIR care products

New products with high added value

Development of “Shoshu-Riki Natulief”

Enhancement of sale of the three core
“Shoshu-Riki” products



Fortification of the core business of CLOTH Care

We will meet the demand in the late fall of 2022.

In the spring of 2023, we will enhance digital sales promotion and in-store sale.

We will make adjustments for a variety of purchase behavior.



Strengthening of the promising pet animal business

To solve quality issues, and restart in the second half

To popularize our products in Japan and strengthen our overseas sales system



Measures to offset the augmentation of costs

Improvement with an optimal product lineup

To start raising prices of some products in Jan.

Measures for reducing costs



Implementation of environmental measures

Use of recycled plastics for core products

Participation in the forest improvement project in Hokkaido



Tightening of governance

To improve the risk management system

To enrich the systems for respective committees

To strengthen the system for business investment



The First Year of Rebirth <Groundwork>

	Consolidated	YoY
Net sales	¥47.5 bn	104.5%
Operating income	¥2.5 bn	78.4%
Ordinary income	¥2.8 bn	81.9%
Profit attributable to owners of parent	¥1.9 bn	171.3%

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.