

Refreshing the Air



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【Compilation Policy】 This report is aimed at conveying our activities for creating the value of S.T. to all stakeholders and deepening their understanding of S.T. Group. The subject period is the fiscal year ended March 2022 (Apr. 1, 2021 to Mar. 31, 2022). The fiscal years indicated in graphs and tables are those ending March unless otherwise specified.

The subject organizations are our company and S.T. (consolidated) unless otherwise specified. "S.T. Group" means the entire S.T. Group, "S.T. Group (in Japan)" means S.T. (non-consolidated) and domestic group companies, and "S.T. (non-consolidated)" means S.T. (non-consolidated).

The guidelines we referred to are the Value Reporting Foundation (VRF), "International Integrated Reporting Framework," and "Integrated Disclosure and Dialogue Guidance for Co-creation of Value" of the Ministry of Economy, Trade and Industry. This report was issued in December 2022.

【Forward-looking Statement】 This report contains forward-looking statements regarding S.T. CORPORATION's future plans, strategies, and performance. Such forward-looking statements are based on information available as of the issuance of this report. Please note that the company's actual performance may differ greatly from forward-looking statements due to various factors.

【Market Scale and Share】 INTAGE Inc.'s SRI+ (in value terms) for "deodorizers (for refrigerators)" during a 3-year period from 2019 to 2021, "mothproofing agents for food" during a 4-year period from 2018 to 2021, "disposable warmers, (excluding those for the eye parts)" during a year period from April 2021 to March 2022, other items during a period from January to December 2021, "deodorizers and air fresheners (excluding those for clothes and anti-virus ones)" and "mothproofing agents (excluding those for dolls)."

Management Philosophy and Vision

Refreshing the Air

Our corporate philosophy is “Sincerity.”

The management philosophy of S.T. Group is to contribute to society by providing customers with the most reliable products.

We aim to become a company loved by customers and society around the world, by brightening and enlivening the life of everyone through air.

Forte of S.T.



Shoshu-Riki



* Intage Inc. SRI + (in value terms)
Period: Apr. 2021-Mar. 2022



Dashu-Tan



* Intage Inc. SRI + (in value terms)
Period: Apr. 2018-Mar. 2022



Kome-Touban



* Intage Inc. SRI + (in value terms)
Period: Apr. 2017-Mar. 2022



Mushuda



* Intage Inc. SRI + (in value terms)
Period: Apr. 2021-Mar. 2022



Drypet

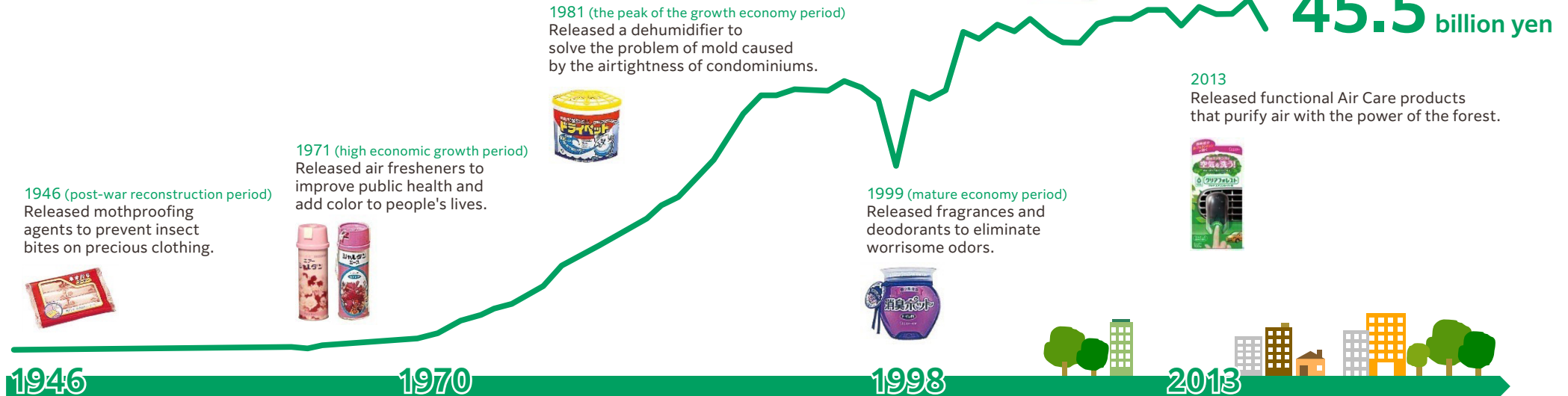


* Intage Inc. SRI + (in value terms)
Period: Apr. 2021-Mar. 2022

We have many Unique Brands in Niche Markets.

History of Value Creation

Founded in 1946, and we started by manufacturing and selling mothproofing agents to solve the problem of insects eating kimonos. Since then, we have grown by solving a variety of trouble and discomforts in our lives with our unique air-care core technologies and delivering refreshing and soothing feeling to our customers.



Changes in management in line with the changes of the times

【From 1946: Founding period】 Solidifying the business foundation as a manufacturer

After the war, many women were saddened by their precious kimonos being eaten by insects. Seiichi Suzuki, one of the founders, saw this and established S.T. Chemical Industries Co., Ltd., the predecessor company, in 1946 and started manufacturing and selling mothproofing agents.



【From 1970: Growth period】 Management for creating new markets through aggressive investment

From around 1970, the Japanese economy accelerated its growth. Along with this, the living environment has changed significantly, and new lifestyle concerns and needs have emerged. In 1971, we entered the air freshener market, and in 1981, we created a new dehumidifier market. In addition, we actively invested in capturing strong demand, such as starting overseas expansion in Thailand, Taiwan, the Philippines, etc.

【From 1998: Mature period】 Strong and flexible management

Since 1990, the economy has stagnated as the domestic population growth has slowed. We implemented a management reform “narrowing down and concentration” to shift from the previous expansion policy to the pursuit of a strong and flexible structure. Our current major brands, such as Shoshu-Riki, Dashu-Tan, and Kome-Touban, were born around this time.



【From 2013: Turning point】 Management for exploration and deepening

In the 2010s, the times changed dramatically toward the green economy. In addition to providing high value-added products and services in response to changes in consumer values and lifestyles, we are promoting management that considers all stakeholders by reducing CO₂ emissions and responding to resource depletion.



Situation of Each Business

Air Care (Deodorizers and Air Fresheners)



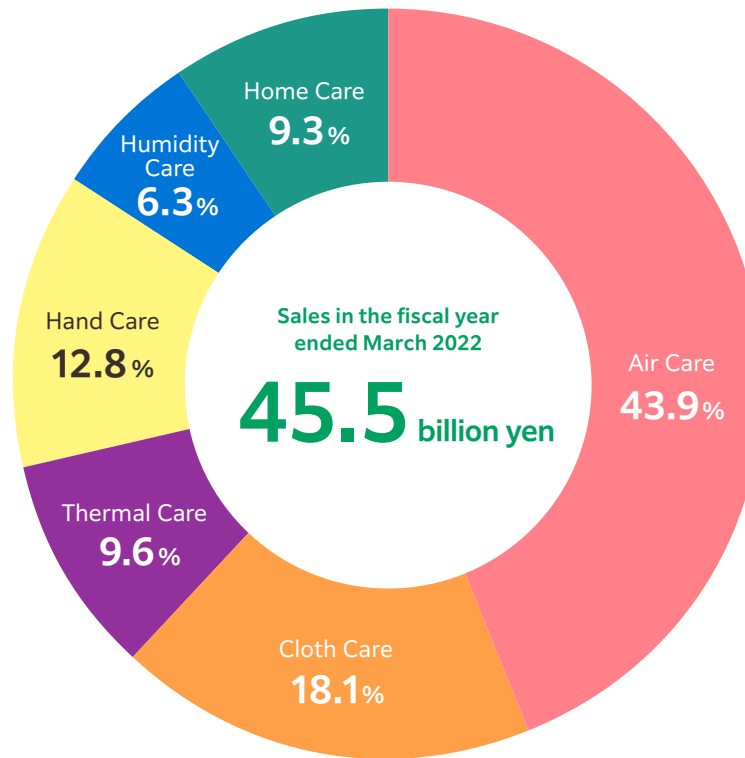
Thermal Care (Disposable Warmers)



Humidity Care (Dehumidifiers)



Sales Composition by Category



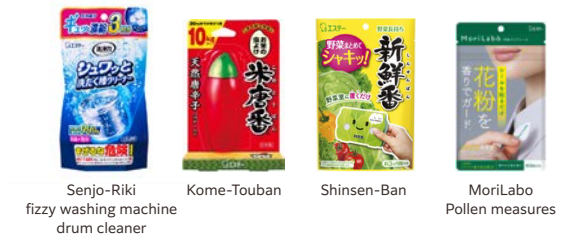
Cloth Care (Mothproofing Agents)



Hand Care (Gloves)



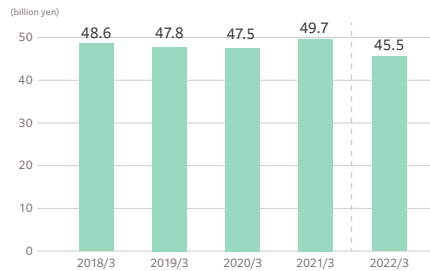
Home Care (Other)



Financial Highlights

Net sales

45.5 billion yen

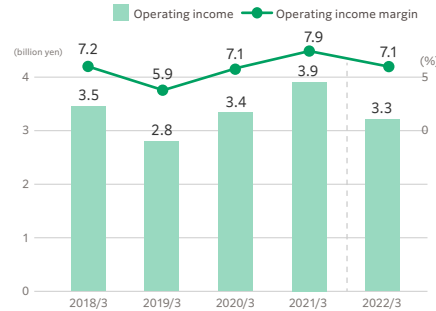


* The new accounting standards have been applied since the fiscal year ended March 2022

Revenue decreased due to a decrease in the sales volume of gloves, etc., due to the effects of stabilizing demand and price fluctuations associated with the novel coronavirus infection.

Operating income · Operating income margin

Operating income **3.3 billion yen** Operating income margin **7.1%**

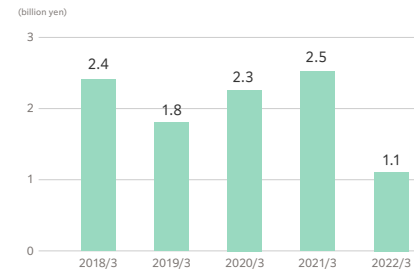


* The new accounting standards have been applied since the fiscal year ended March 2022

Profit decreased due to the gradual recovery of sales activities that had been restrained due to the preventive measures against the novel coronavirus, as well as the strategic investment in marketing expenses.

Profit attributable to owners of parent

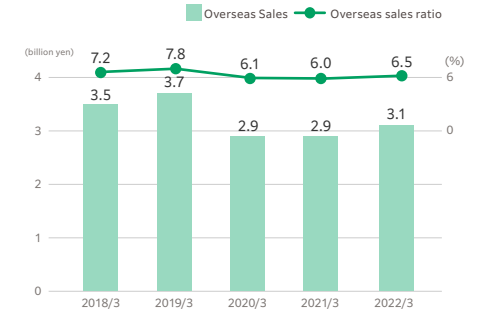
1.1 billion yen



In addition to the decrease in operating income, the impairment loss of the disposable warmer business was recorded as an extraordinary loss, resulting in a decrease in profit.

Overseas Sales · Overseas Sales Ratio

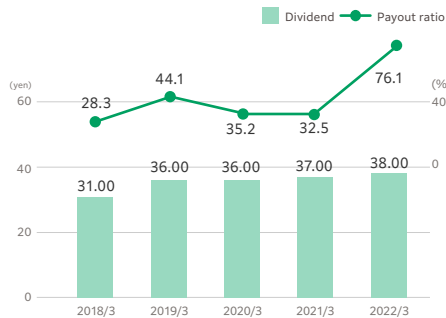
Overseas Sales **3.1 billion yen** Overseas sales ratio **6.5%**



Outside Japan, sales increased due to the progress of structural reform, Air Care in Thailand performing well, and the re-entry into the Chinese market.

Dividend per share · Dividend payout ratio

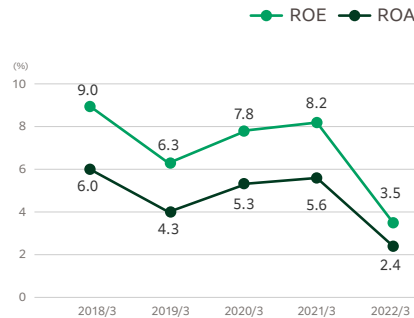
Dividend **38 yen** Payout ratio **76.1%**



Regarding year-end dividends, based on our basic policy of stable dividends, we set annual dividend at 38 yen and dividend payout ratio at 76.1%.

ROE · ROA

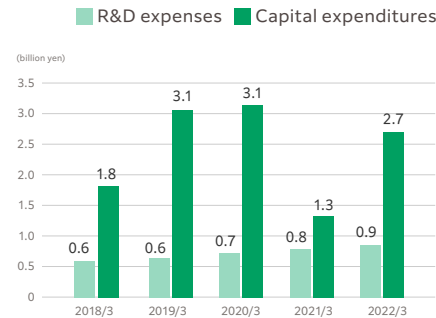
ROE **3.5%** ROA **2.4%**



Although we made efforts to strengthen our earning power, our revenue deteriorated due to recording an impairment loss as an extraordinary loss.

R&D expenses · Capital expenditures

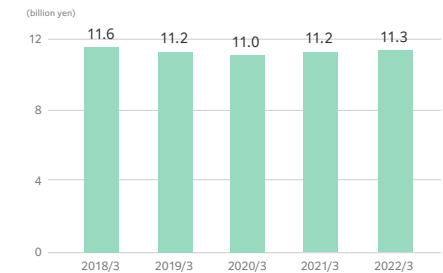
R&D expenses **0.9 billion yen** Capital expenditures **2.7 billion yen**



In research and development, we mainly enhanced basic research, and in capital expenditures, we made equipment for new products and increased production capacity.

Marketing expenses

11.3 billion yen

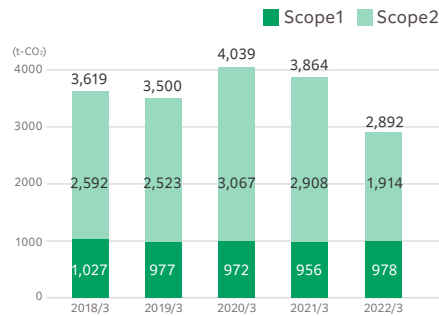


Among marketing expenses (advertising and sales promotion expenses), we actively invested in digital advertising and other expenses for sales promotion.

Non-financial Highlights

Total CO₂ emissions (Scopes 1 and 2)

2,892t-CO₂

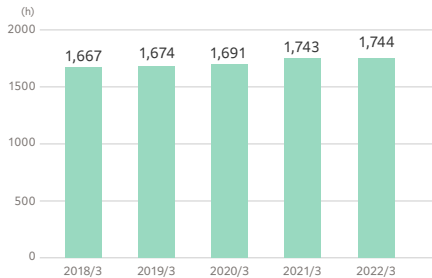


*The subject organization is S.T. Group (in Japan). *Total CO₂ emissions mean the sum of Scopes 1 and 2. *Scope 2 emissions was calculated by multiplying the consumption of electric power from renewable energy by the adjusted emission coefficient for each electric power menu and multiplying the other power consumption by the national average emission coefficient and then adding them.

In FY 3/2020, CO₂ emissions augmented through the acquisition of S.T. MYCOAL, but we promoted the purchase of electric power generated from renewable energy, so CO₂ emissions have been declining.

Total actual working hours per person per year

1,744h

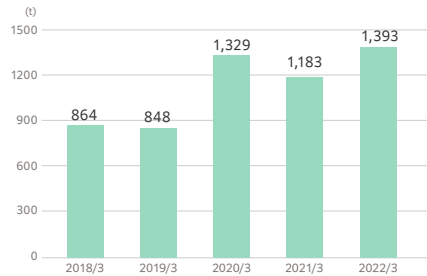


*The subject organization is S.T. Group (in Japan). *The total actual working hours per person per year means the working hours of regular employees.

It has been increasing, but we promote healthy ways of working and the improvement in labor productivity by breaking away from the conventional ways of working and reducing working hours.

Total weight of waste

1,393t

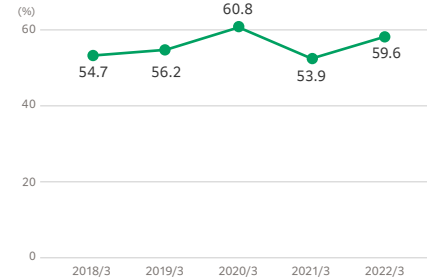


*The subject organization is S.T. Group (in Japan).

The total weight of waste has been increasing since FY 3/2020, due to the acquisition of S.T. MYCOAL.

Ratio of employees who took an annual paid leave

59.6%

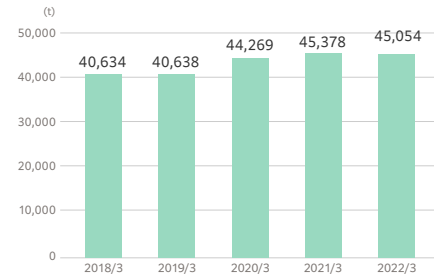


*The subject organization is S.T. Group (in Japan). *The total actual working hours per person per year means the working hours of regular employees.

For the work-life balance, we set several months in which employees are encouraged to take an annual paid leave, and continuously promote it.

Water consumption

45,054t

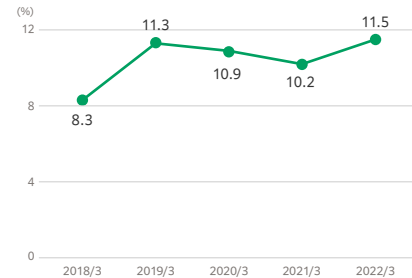


*The subject organization is S.T. Group (in Japan).

Water consumption has been increasing since FY 3/2020, due to the acquisition of S.T. MYCOAL.

Ratio of female managers

11.5%

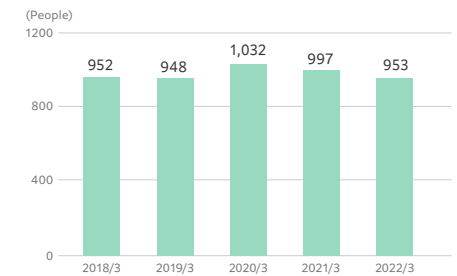


*The subject organization is S.T. Group (in Japan).

We uphold the goal of increasing the ratio of female managers so that various personnel can flourish, and promote the design of systems for enabling women to keep working, training for career development, etc.

Number of employees

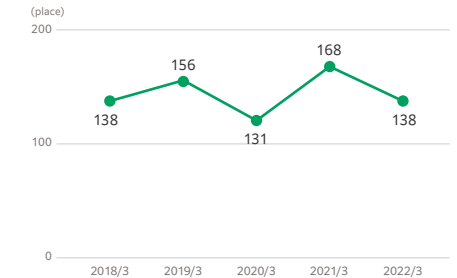
953



Through the acquisition of S.T. MYCOAL, number of employees increased in FY 3/2020.

Favorability ranking of companies

138th place



*The favorability ranking of companies was taken from the Reputation-Business Person Edition of Nikkei Survey on Corporate Images.

In brand value management, we aim for the 150th place or so in the Favorability Ranking of Companies as a benchmark.

President Message



We will create a market with
the new air business and expand it globally.

First Year of Rebirth
(Creating a foundation for growth)

President & CEO

Takako Suzuki

Looking Back on the Last 10 Years

In April 2013, I was appointed as President and CEO, and the fiscal year ending March 2023 would mark the tenth year since I took on this position. Since my appointment, I have aimed to build a management foundation that is not affected by the external environment and have aimed for a market capitalization of 100 billion yen. At the time of my appointment, our profit was in a gradual decline, and for the first five years, I gave top priority to improving profit and turned to profit-oriented management. In the latter five years, we shifted our focus to a growth strategy, under the slogan of "transformation into a comprehensive air business group," and worked to cultivate overseas, B2B, and E.C. markets, as well as develop new air business models.

With regard to profit improvement, we believe that we have achieved a certain level of success by promoting the premiumization of products and the liquidation of unprofitable products and businesses under the basic policy of "brand value management." On the other hand, we have recognized that the expansion of overseas, B2B, and E.C. markets, which are positioned as growth engines, is still in progress and that new businesses have not been able to contribute to earnings.

Furthermore, in the disposable warmer business acquired from MYCOAL in 2017, neither the development of new innovative products nor the cultivation of overseas markets proceeded as expected, and an impairment loss was recorded in the fiscal year under review. We take this drastic drop in profit seriously and have decided to take this opportunity to implement management reform.

Seeing Turbulent Times as Opportunities

The prolonged novel coronavirus pandemic, the Ukraine crisis, the soaring energy and raw material prices, the weak yen, geopolitical threats, successive natural disasters, and heightened environmental awareness... In order for our corporate group to survive in the age of VUCA, we have no choice but to grasp the dramatic changes of the times and turn them into opportunities.

In the current fiscal year, we have set a policy of rebirth (building a foundation for growth). We will carry out management reform, thoroughly review strategies, redistribute resources to achieve an ideal future, and strive for global growth and business creation in new fields and markets.

At the same time, we strive to conserve the global environment, a valuable resource shared by all humankind, and develop new businesses that solve social issues related to nursing care, healthcare, pet care, and femtech. As the company name suggests, we will build a governance system that continues to question whether we can continue to exist forever as a company that is of service (SERVICE) to society and trusted (TRUST).

For the first time, we invited outside experts to hold a dialogue to clarify our vision for the future and properly review the current situation.

Listening to Stakeholders

In the dialogue of experts, investors and experts in the fields of the environment and human rights discussed and gave advice about business opportunities and management risks arising from the increasing demand from the environment and society, critical issues for our company, and examples of leading companies, etc.

In particular, we are acutely aware of the importance of incorporating changes in the business, management environment, and consumer trends surrounding our company into our own growth and the urgent need to develop a management system to deal with new business and management risks that arise from these changes. We would like to continue receiving your opinions on our management and build a new S.T. that meets society's expectations.

Becoming an Organization that Responds Flexibly to New Opportunities and Risks

As the first step of our reform, we made a major management system reform.

To achieve global growth, we have returned to our customer-first policy and established a new Global Marketing Division to strengthen the brand power and profitability of our existing businesses in Japan and overseas. To create businesses in new fields and markets, we have established a New Business Development Office as an organization under the management's direct control, independent of existing businesses.

In addition, as a global standard governance system, we integrated functions such as Corporate Planning, ESG Promotion, Digital Transformation (DX), Human Resources, General Affairs, and Legal Affairs into a Corporate Value Enhancing Division that collectively manages business opportunities and management risks.

Under the new organizational structure, we will strive to achieve sustainable growth and improve corporate value while engaging in dialogue with all our stakeholders.

Aiming to be a "Comprehensive Air Business Group"

Air is a shared resource that exists not only in homes, but also in offices, factories, hospitals, nursing homes, commercial facilities, public spaces, and many other spaces around the world. With our unique air-care core technologies, we pursue not only deodorization, but also pleasant air for people in new fields such as health care and wellness to become a comprehensive air business group by breaking away from being just a manufacturer of daily necessities.

We would like to ask for your continued support in the future.

Engagement of Stakeholders



To discuss and identify important issues for sustainability

**We conduct essential
sustainability activities surely
without being impatient.**

(From left in the back) Executive Officer Hideki Naito, Mr. Sakon Kuramoto,
Outside Director Shinzo Maeda, Managing Executive Officer Seiichi Nishida
(From left in the front) Outside Director Hiroko Noda, President Takako Suzuki,
Mr. Ryuta Uozumi, Ms. Tomomi Fukuda



Managing Executive Officer Seiichi Nishida

Discussing Important Issues with Intellectuals

S.T. has been putting importance on the voices of customers, but in order to carry out sustainability-oriented management in an essential manner, we accurately understood the voices of stakeholders regarding material issues on sustainability and reflected them in our business administration, and held dialogue with intellectuals for the purpose of listening to their expectations.

As external intellectuals, we invited Mr. Ryuta Uozumi, representative of Uozumi Sustainability Lab, who possesses plenty of knowledge and experience regarding the environment and sustainability-oriented management, Mr. Sakon Kuramoto, who specializes in human rights and compliance with laws and a lawyer of Orrick Tokyo Law Office-Foreign Law Joint Office, and Ms. Tomomi Fukuda, who is a senior vice president of Lazard Japan Asset Management, which actively promotes the improvement in corporate value from the aspects of fundamentals and ESG as an investor, and listened to their opinions about the material issues of our company.

From our company, the dialogue was attended by President Suzuki, the managing executive officer Yonemoto (in charge of the business and R&D divisions) and the executive officer Naito (in charge of the manufacturing division), the outside director Maeda, and the outside director Noda, and we actively debated while considering the opinions of the intellectuals.

Opinions about Material Issues that Should be Addressed

On the day of the dialogue, we received their opinions while proposing some material issues discussed and raised by S.T. Group. (See Charts 1 and 2 on the following page.)

Firstly, from the environmental perspective, the intellectuals gave advice about the importance of enriching the foundation for environment-conscious management. In detail, they pointed out the importance of globally grasping the consumption of resources and energy in our business

activities, the provision of products, emissions, etc. to see the entire picture (material balance), and then managing and improving them with systems. Furthermore, they pointed out the importance of initiatives tailored to our business characteristics, and gave advice about the life cycle assessment (LCA) of products and the enhancement of measures for recycling resources, including plastics of products and containers, to cope with climate change.

From the viewpoint of human rights, they explained that the trend of establishing legal systems for the management of human rights and responsible procurement is accelerating, so there is a risk that insufficient adaptation will have stakeholders think that our company worsens the problem with human rights, investors stop investing in our company and clients will stop procuring products from our company. The management of human rights and responsible procurement are material issues for manufacturers, so they advised us that we should formulate policies for them and establish systems for them urgently.

From the viewpoint of investors, they explained that the creation of corporate value significantly correlates with ESG, and pointed out the importance of the fact that designing strategies based on forecasts and tightening governance constitute a story. In addition, they mentioned that it is essential to grasp the changes in society without fail, consider how we should utilize opportunities arising out of the changes in business, control risks arising out of the changes, and fulfill our accountability properly.

They gave us warm encouraging words, such as "I hope that S.T. will create new products and business models that can reduce CO₂ emissions and the consumption of fossil resources, by utilizing your capability of developing unique products (innovation), which is your forte," "I hope that you will introduce user-friendly and environmentally-friendly products to many consumers via easy-to-understand TV commercials, and emphasize the importance of the environment and sustainability," and "I hope that you will proceed with essential activities appropriately and surely, without being impatient," expressing their expectations toward S.T. Group.

[Chart 1] Process of extracting material issues



[Chart 2] Policy for evaluating material issues and determining their priorities



Based on the opinions of intellectuals we received through that dialogue, we had discussions in house and determined material issues for S.T. Group as shown in the right chart (See Chart 3). From now on, we will design necessary policies, strategies, and plans for addressing these material issues, and make company-wide efforts. We may revise these material issues if necessary, according to the progress of our engagement and activities, changes in the business environment, etc. and update them according to the changes in social demand.

To Share Voices Outside our Company, and Engage in Business Administration

That dialogue reminded us of the importance of various themes for sustainability, and updated our recognition of opportunities and risks for discussing long-term management strategies. We were also able to share them with the president, outside directors, and executive officers in charge of respective divisions. The management policy of S.T. Group for this term is the first year of the reborn S.T. (the development of a base for growth). The recognition we shared this time became an important foundation for S.T. Group to actively carry out business activities as a guidepost.

S.T. Group will take advantage of the changes of the times as new growth opportunities and develop governance systems for responding to new management risks arising out of the changes, based on the voices of intellectuals (stakeholders), and achieve the sustainable development and improve the corporate value of S.T. by contributing to society in a sustainable manner.

We would appreciate your continued guidance and encouragement.

[Chart 3] Identified material issues

Responding to changes in consumer values and lifestyles
Adapting to a decarbonized society
Coping with the depletion of resources and adapting to the circular economy
Dealing with business risks related to human rights
Building a working environment where diverse employees can work with satisfaction and peace of mind
Strengthening ESG risk management in the supply chain
Responding to social demand beyond laws and regulations

Creation of Value of S.T.

Value Provided so Far

Since the inauguration of business, S.T. Group has been brining comfort and richness to the daily lives of people by providing unique products, such as the mothproofing agents “Mushuda,” the deodorizer and air freshener “Shoshu-Riki,” the disposable warmer “Onpax,” the dehumidifier “Drypet,” the deodorizer “Dashu-Tan,” and the mothproofing agents for rice storage “Kome-Touban,” to adapt to the changes in residential environments and solve trouble in daily lives.

The market of daily necessities is a stable market for daily living, which lasts as long as people live. The Japanese population is declining, but our products are used in various rooms and places, and the total number of households in Japan is still increasing, so the market is healthy. The utilization rate of our products in the market of deodorizers and air fresheners, which is the mainstay, is about 60%, so we believe that there remains room for business expansion.

Changes in the Business Environment

Nowadays, we see such words as “sustainability” and “SDGs” in newspapers or the like every day. In the market of daily necessities, too, we need to reduce CO2 emissions, deal with the depletion of resources, and adapt to the circular economy. Furthermore, our workstyles have changed drastically due to COVID-19, producing significant effects on the purchase behavior, values, and lifestyles of consumers.



Mushuda



Shoshu-Riki



Onpax



Drypet



Dashu-Tan



Kome-Touban



MoriLabo
(Measures against pollen)



S.T. Pet
(Toilet for cats)

To Bring Comfort and Richness to the Daily Lives of People

Value We Will Provide

S.T. Group will recognize such changes in the times and society as opportunities, offer new value and create new markets with the keywords: “new air business models,” “response to structural changes in society,” and “acceleration of globalization” by utilizing our strengths, including our unique air-care core technologies, product development capacity, on-site operation ability, and communication skills, and bring comfort and richness to “society and the daily lives of people.”

In the development of new products, we create new value with “Clear Forest,” which is produced from natural tree components. Shifting from the conventional solution of “removing smells,” we have created new value called “functional air care,” by harnessing the power of natural trees, to solve social issues of modern people, such as allergies to pollen, etc. and stress. We also actively engage in the development of business models and ecosystems based on new models beyond the boundaries of markets or industries.

In terms of risks, we make efforts to reduce CO2 emissions to adapt to a decarbonized society, deal with the depletion of resources, adapt to the circular economy, cope with business risks related to human rights, and develop a working environment in which employees can have diversity, worthwhile jobs, and peace of mind. S.T. Group will achieve sustainable growth and improve our corporate value, by contributing to the environment and society in a sustainable manner and bringing comfort and richness to “society and daily lives of people.”

To Bring Comfort and Richness to “Society and Daily Lives of People”

Value Creation Process

Input

Social and Related Capital

Favorability Ranking of Companies: 168th
 Operating income: 3,945 million yen
 Stock price: 1,955 yen

* All values as of the end of March 2021

Human Capital

Number of employees: 953 (consolidated)
 Number of employees: S.T. Group (in Japan) 757
 Number of employees:
 570 (including 209 women)
 Non-regular employment:
 187 people (including 138 women)

* The number of employees, including females, and the number of non-regular employees, including females are those of S.T. Group (in Japan).

Natural Capital

Fuel usage: 14,718 GJ
 Electricity consumption:
 6,500 thousand kWh
 Water consumption: 45,054t

* All of them are for ST Group (in Japan)

Financial Capital

Free cash flow: 2,859 million yen
 Interest-bearing debt: 413 million yen
 Equity ratio: 70.4%

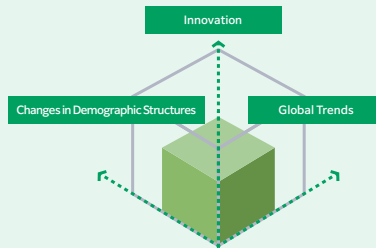
* Free cash flow is the value at the end of the fiscal year ended March 2021.

Value Creation Activities

Business Activities

Manufacturing and selling products that make life more comfortable using our product development capabilities, on-site capabilities, and communication capabilities

Direction of Growth



Sustainability



Initiatives for climate change, resources recycling, occupational health and safety, work-life balance, diversity and inclusion, human resources development, compliance, etc.

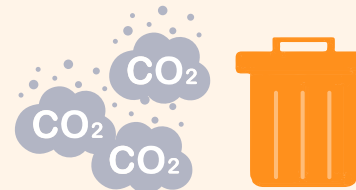
Output

Product



Air Care: Sales of 20.0 billion yen
 Cloth Care: Sales of 8.2 billion yen
 Thermal Care: Sales of 4.4 billion yen
 Hand Care: Sales of 5.8 billion yen
 Humidity Care: Sales of 2.8 billion yen
 Home Care: Sales of 4.2 billion yen

Environmental and Social Impact



Total CO2 emissions (Scopes 1 and 2):
 2,892 t-CO2
 Total weight of waste: 1,393 tons
 Total annual working hours per person:
 1,744 hours

* All of them are for ST Group (in Japan).

Outcome

Benefit

Our unique air-care core technologies eliminate discomfort in life and make you feel comfortable.



Favorability ranking of companies: 138th
 Operating income: 3,251 million yen
 Stock price: 1,527 yen



Material Issues and Primary Measures

Material Issues

Responding to changes in consumer values and lifestyles



Primary Measures

Business	<ul style="list-style-type: none"> · Strengthening product development using Clear Forest, our unique air-care core technology that is natural and has functional properties · Strengthening development of business models and ecosystems through new models
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Adapting to a decarbonized society
Coping with the depletion of resources and adapting to the circular economy
Dealing with business risks related to human rights
Building a working environment where diverse employees can work with satisfaction and peace of mind
Strengthening ESG risk management in the supply chain
Responding to social demand beyond laws and regulations



Environment	Climate change	· Greenhouse gas reduction targets and the reconstruction of the management system
	Resources recycling	· Promotion of initiatives for resources-saving and plastic-saving designs
Society	Human rights	· Development of policies and management systems for human rights
	Occupational health and safety	· Reduction of long working hours
	Work-life balance	· Improving the rate of taking paid leave
	Diversity and inclusion	· Improving various systems that women can use, and strengthen the promotion of the creation of a suitable working environment
	Human resources development and skill development	· Strengthening of human resources development to create and execute new businesses
Management	Responsible procurement	· Development of policies and management systems for responsible procurement
	Stakeholder engagement	· Establishment of a promotion system that reflects the voices of stakeholders in management Dialogue with Experts, Integrated Reports

Activities of Domestic Business

Air Care (Deodorizers and Air Freshener)



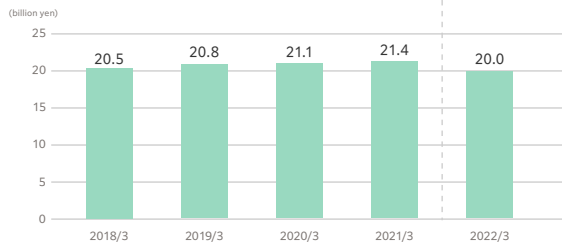
【Market share】 Deodorizers and Air Freshener: 3rd place (24%), Deodorant: 1st place (81%)

【Business Characteristics and Strengths】 This is our primary business, which accounts for about 40% of our sales, and is expected to grow in the future. We have highly original brands, such as our largest mega brand, Shoshu-Riki, and Dashu-Tan, which is based on the power of charcoal to deodorize.

【Market environment】 The deodorizers and air freshener market is growing. High value-added products are on the rise, and further growth can be expected by stimulating the market.

【Overview of the fiscal year under review and future strategies】 In the fiscal year under review, sales were 19.9 billion yen. Sales of the high value-added product, Shoshu-Riki Premium Aroma, were strong, and the new product, Shoshu-Riki DEOX, also contributed to sales. In the current fiscal year, we will continue to leverage the strengths of our core brands and work to revitalize the market with new products.

【Sales trend】



Cloth Care (Mothproofing Agents)



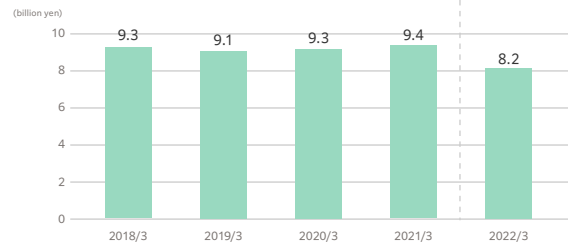
【Market share】 Mothproofing Agents: No. 1 (52%)

【Business Characteristics and Strengths】 This business has been part of our company since its founding, and it is the most important business along with the Air Care business. We own trusted top brands such as Mushuda and Neopara, which protect your valuable clothing from being eaten by insects. We are also entering the adjacent market, the tick-repellent market.

【Market environment】 The mothproofing agents market is stable. In the future, the key will be to respond to diverse needs, such as changes in storage styles. In 2021, the demand due to people staying at home had settled down, becoming the same as the average year. The adjacent tick-repellent market is expanding.

【Overview of the fiscal year under review and future strategies】 In the fiscal year under review, sales were 8.2 billion yen as the 2021 spring season remained at the same level as the average year. This term, we will work to expand sales with products that support diversifying storage styles.

【Sales trend】



Thermal Care (Disposable Warmers)



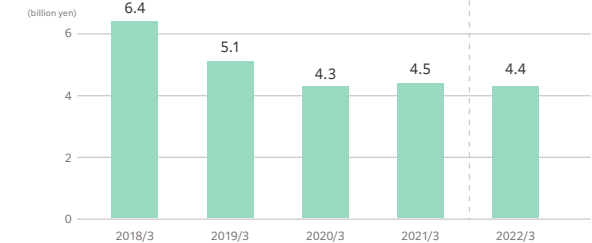
【Market share】 Disposable Warmers: 3rd place (17%)

【Business Characteristics and Strengths】 As a winter product, it also serves as a sales floor control in conjunction with spring and autumn mothproofing agents. We own brands such as Onpax and the Thermal Care brand On Style.

【Market environment】 The disposable warmer market is highly impacted by climate change. Thus, it is difficult to differentiate our products in this market. In the future, we have high expectations for new fields and new markets that make use of thermal technology.

【Overview of the fiscal year under review and future strategies】 During the winter season of the fiscal year under review, sales were 4.3 billion yen due to the cold weather since the year-end and the New Year holidays. In the current fiscal year, we will propose new added value and usage scenarios to consumers in response to changes in living environments and lifestyles in an effort to revitalize the market.

【Sales trend】



* The new accounting standards have been applied since the fiscal year ended March 2022.

Hand Care (Household Gloves)



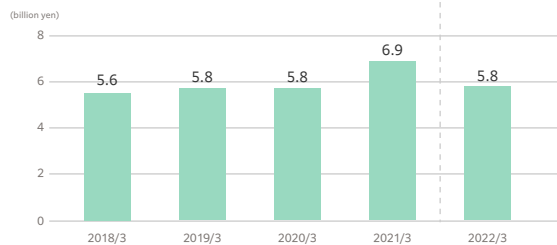
【Market share】 Household Gloves: 2nd place (21%)

【Business Characteristics and Strengths】 This business has a long history of 60 years, like the Cloth Care Business. Our product lineup includes “Family,” household gloves, “Modelobe,” industrial-use gloves, and gloves whose finger parts have been reinforced to prevent ruptures.

【Market environment】 The market of gloves saw a decline in sales of gloves for both household use and professional use, as the public awareness of hygiene against COVID-19 has been normalized and prices fluctuated. It is important to enhance functions and propose added value while improving usability.

【Overview of the fiscal year under review and future strategies】 In the fiscal year under review, the demand for gloves was somewhat sluggish due to the weakening of the public awareness of hygiene, so sales were 5.8 billion yen. This term, we will keep strengthening and developing our brands by proposing high value-added products.

【Sales trend】



Humidity Care (Dehumidifiers)



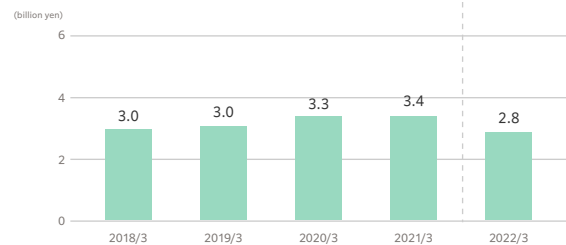
【Market share】 Dehumidifiers: No.1 (34%)

【Business Characteristics and Strengths】 Since the release of “Drypet” in 1981, this business has always been leading the market. Its enriched product lineup includes “Drypet,” the primary brand, “Bincho-Tan Drypet,” which has the deodorizing function as well as the dehumidifying one, refillable ones, and sheet-shaped ones.

【Market environment】 The market of dehumidifiers is expanding, and in this market, it is difficult to differentiate products and competition is fierce. From now on, the key will be to propose added value, such as new purposes of use and new functions.

【Overview of the fiscal year under review and future strategies】 In the fiscal year under review, sales were 2.8 billion yen, due to the reactionary decline from the prolonged rainy season in the previous term. This term, we will try to vitalize the market by proposing high value-added products and saving of plastics.

【Sales trend】



Home Care (Cleaners and Others)

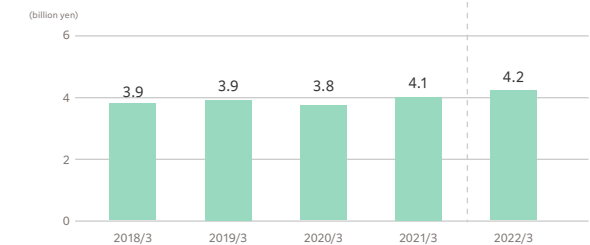


【Business Characteristics and Strengths】 In this market, we handle niche cleaners and new products under development. Our product lineup includes unique ones, such as cleaners of “Senjo-Riki” and “Kome-Touban,” moth-proofing agents for rice storage.

【Market environment】 The niche market of cleaners and the market of mothproofing agents for rice storage are healthy, thanks to the continuous demand for hygiene and eating at home due to COVID-19.

【Overview of the fiscal year under review and future strategies】 In the fiscal year under review, “Kome-Touban” and the washing tub cleaner “Senjo-Riki” performed well thanks to the demand for hygiene and eating at home, and the new product “Shinsen-Ban,” too, contributed, so sales were 4.2 billion yen. This term, we will continue our endeavors in new fields for further growth.

【Sales trend】



* The new accounting standards have been applied since the fiscal year ended March 2022.

Activities of Overseas and New Businesses

Overseas Business

Globalization is one of the key growth strategies considered by S.T. Group. Although the demand from foreign visitors to Japan has recently plummeted due to COVID-19, the trust in Japanese products from around the world remains strong, and we are keen to globally expand our know-how and new technologies we have cultivated by resolving social concerns in Japan.

In the fiscal year under review, we continued structural reforms. Regarding the situations in main regions, in the U.S., demand for gloves decreased as the awareness of hygiene against COVID-19 subsided, while in Asia, demand for Air Care products showed a strong growth in Thailand, and in China, a new flagship EC store was established to distribute Air Care and Home Care products, which resulted in consolidated overseas sales of 3.1 billion yen (Overseas sales ratio: 6.5%).

Under this new structure, we will focus on Asia as a target region, and Air Care products as a core product category, with the goal to become a global "comprehensive air business group."

Promotion of Capital and Business Alliances

Promoting capital and business alliances is another key growth strategy, indispensable to constructing a stable management foundation that will not be affected by the external environment.

S.T. Group signed tie-up contracts with FUMAKILLA LIMITED in 2010 and with NS FaFa Japan Co. Ltd. in 2012. We aspire to improve mutual development and profitability by applying the three companies' different advantages in B2C and B2B.

The main objectives of the alliances are to conduct joint R&D by utilizing the three companies' research technologies and development know-how in terms of development; to share regional channels, support sales promotion and exert joint efforts in terms of sales; to reduce costs by sharing production facilities and materials in terms of procurement; and to cut costs by sharing logistics infrastructure in terms of logistics.

We will continue to promote capital and business alliances that will contribute to a global "comprehensive air business group" with the aim to attain a market capitalization of 100 billion yen.

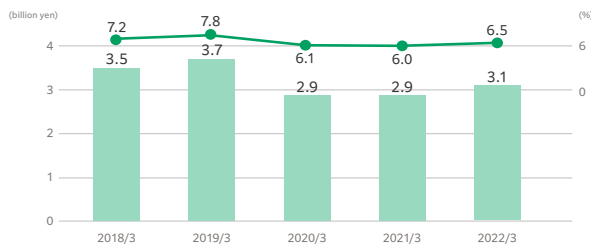
New Business Development

Finally, development of new businesses is another key growth strategy for us as a manufacturer.

Our group has been engaged in developing new fields and markets by leveraging our unique air-care core technologies. We have been handling "MoriLabo," a series of anti-pollen products produced by the natural tree component "Clear Forest," and "S.T. Pet," which solves the problem of pets' fecal odors. In the B2B market, we have developed "AirForest," deodorant mist for clothing and fabrics for guest rooms of hotels and Japanese-style inns, "Dr. CLEAN+," disinfectant solvents for institutional use, and so on.

As the next step, under our new business development scheme, we intend to develop new commercialization processes, innovate fresh business models, and actively collaborate with external parties to seek inroads into newer eco-systems.

【Trends in Overseas Sales·Overseas Sales Ratio】



Press Conference on the Capital and Business Alliance (January 2012)



Environmental Activities

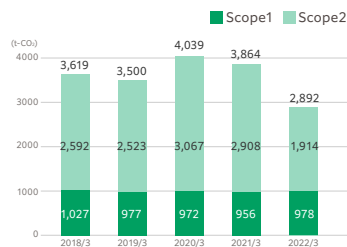
Initiatives for Coping with Climate Change

S.T. Group regards response to climate change as an important issue, and is working to reduce CO₂ emissions through our business activities.

Regarding efforts to reduce CO₂ emissions, we are promoting energy conservation in production facilities and building equipment on the manufacturing side, while promoting the purchase of electricity derived from renewable energy at production sites and offices. 32% of the entire domestic company group has switched to electricity derived from renewable energy as of March 31, 2022. As for company vehicles such as sales vehicles, we are promoting the use of highly energy-efficient hybrid vehicles. In terms of transportation, we are propelling a modal shift from truck transportation to railway and ship transportation, which have a lower environmental impact. S.T. corporation acquired "Eco-Ship Mark" certification in 2008, and its factory in Kyushu acquired "Eco Rail Mark" certification in 2015. Regarding truck transportation, we are improving loading efficiency by revising standards for the size of truck cargo boxes, promoting direct shipments from factories to warehouses, and joint shipments with other companies.

From this fiscal year, we calculate CO₂ emissions based on the Greenhouse Gas Protocol. We are also revising CO₂ emission reduction targets based on the same standards, and plan to proceed with Scope 3 calculations.

Total CO₂ emissions (Scopes 1 and 2)



*The subject organization is S.T. Group (domestic).
 *Total CO₂ emissions mean the sum of Scopes 1 and 2.
 *Scope 2 emissions was calculated by multiplying the consumption of electric power from renewable energy by the adjusted emission coefficient for each electric power menu and multiplying the other power consumption by the national average emission coefficient and then adding up them.

Response to the Task Force on Climate-related Financial Disclosures (TCFD)

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), S.T. Group is working to address climate change issues. Regarding climate-related impacts (risks and opportunities) on our company, scenario analysis (qualitative evaluation) was conducted for the 1.5-2°C scenario and the 4°C scenario. We will continue to discuss measures to respond to risks and opportunities related to climate-related issues, and promote information disclosure in accordance with the TCFD recommendations.

Initiatives for Recycling Resources

In order to conserve limited resources as a manufacturer that produces and sells products that are familiar to customers' daily lives, S.T. Group is addressing the plastic problem by promoting the 4Rs (Reduce, Reuse, Recycle, and Renewable) in containers and packaging. Approximately 12,000 t/year of plastic is used in the products sold by our group, and we are working to reduce the use of petroleum-derived plastics by revising product designs, increasing the number of refillable products, and promoting the use of recycled plastics and biomass plastics. In addition, as a measure for discarded plastics that inevitably remain after use, we joined demonstration projects for the "Reuse" and "Recycle" system.

As an initiative for "Reduce" and "Renewable" (switch to renewable materials such as those derived from plants), S.T. Corporation has established its own environmentally friendly standards for container packaging and product design, and products that meet these standards indicate the "Eco for everyone" mark.

Examples of products with the "Eco for everyone" mark

Recycled plastics are used for the bottles of "Shoshu-Riki Deodorizer for Room" and "Shoshu-Riki Deodorizer for Toilet," with its content being 10% or higher.



We participate in the "Loop"* system, which "reuses" general consumer goods such as containers by replacing them with highly durable ones that can be used repeatedly. The "Loop" product containers are made of transparent glass instead of plastics, and are sold at Aeon stores.

*Loop is a recycling shopping platform developed by Loop Japan LLC.

From July to December 2021, we engaged in the "MEGURU BOX" project, a demonstration experiment for collecting used plastics in Kitakyushu City, Fukuoka Prefecture. Kitakyushu City and more than 10 companies/organizations worked together to collect used plastic containers from supermarkets and public facilities in Kitakyushu City, and worked to demonstrate a system for recycling.

Social Activities

Initiatives for the Health and Occupational Safety of Employees

So that all employees can work while being healthy in mind and body, we encourage them to undergo a health checkup regularly, with the aim of having all employees undergo it. In addition to the periodic health checkup, we recommend employees aged 35 years or older to receive a complete health checkup and pay expenses for it, for the purpose of detecting and treating health risks early. Furthermore, we recommend employees to undergo medical examinations for breast cancer, cervical cancer, prostate cancer, and brain disorders, and pay expenses for them. We also hold meetings with industrial doctors and public health nurses and lectures, and established "S.T. Hotline for Health," in which external psychologists listen to the worries of employees, their spouses and dependents, in order to maintain their mental and physical health and prevent disorders. As measures for breaking free from smoking, we prohibited smoking during working hours in 2018, and prohibited smoking inside our buildings in 2022.

We make group-wide efforts to strengthen the occupational safety management system, and regularly conduct safety management inspection at our factories in Japan (Fukushima, Saitama, Kyushu, and Tochigi) and Thailand and major outsourcees' factories in Japan, to appropriately operate our safety and hygiene control systems and prevent occupational accidents. In Thai factories, where it is difficult to directly inspect them frequently, we utilize an online conference system. At the "STR-MP" meeting, which is attended by the factory staff in Japan and Thailand, they exchange opinions about occupational safety and reflect them in occupational safety activities in each factory.

Initiatives for Personnel Development

In the fiscal year under review, we conducted a leadership training program (5 times a year) for employees in their 20s to 50s before promoting them to managerial posts. This term, we carried out the "next-generation transformation program (NEXT)" for selection and execution, while promoting the participation of employees in their 20s and 30s. In this program, participants receive lectures about business administration and commercialization from external lecturers, design business ideas, propose them to the management, and then aim to commercialize the ideas approved through screening.

Initiatives for Diversity, Inclusion, and Work-life Balance

We are hiring experienced workers, to cultivate new businesses and achieve sustainable growth, so that diverse personnel can flourish. In addition, to promote female employees to managerial posts, we held training for female employees in their 20s to 40s twice in FY 2021.

Accounting period	2018/3	2019/3	2020/3	2021/3	2022/3
Ratio of female managers [%]	8.3	11.3	10.9	10.2	11.5
Ratio of mid-career workers [%]	40.9	16.0	20.7	28.6	26.7
No. of females	2	0	1	2	3
No. of foreign nationals	1	0	0	1	0
No. of managers	1	1	0	5	5
No. of employees with disabilities	7	9	14	15	13

*The subject organization of S.T. Group (in Japan)

In order to support employees in childcare and nursing care while working, we have established systems for childcare leave, shortened working hours for childcare, and flextime, as childcare-related systems in line with action plans in accordance with the law regarding support for development of the next generation (the next-generation law) and the law regarding the empowerment of women (the women empowerment law). In 2021, all female employees took a childcare leave. Two male employees took leaves for their spouses' childbirth and childcare. 100% of the female employees who gave birth to a child resumed work one year after the childbirth (no one resigned). We will keep developing a comfortable workplace in which employees can deal with the progress of their life stages.

Childbirth	Leaves before and after childbirth	6 weeks before childbirth and 8 weeks after childbirth
	Special leave for an employee's wife giving birth to a child	2 days (paid)
Childcare	Childcare leave	Until a child turns 3 years old
	Working hours for childcare	It is possible to shorten working hours by 1.5 hours per day until a child enters the fourth year of elementary school. It is possible to use the staggered work shift until a child enters the first year of junior high school.
	Exemption from overtime work	We exempt employees who have a preschool child from overtime work, if they apply.
	Leave for caring for injured or sick children	It is possible to take this leave in units of hours for 5 days per year if the number of such children is 1 or for 10 days per year if the number of such children is 2 or more.

Commitment to Customers

<Quality assurance, security and safety initiatives>

Our corporate group plans, designs, manufactures, and sells products with the aim of providing customers with "appropriate quality" and "safe and secure" products. At each stage of planning, designing, and producing products, we check the safety, effectiveness, environmental and legal compliance of "raw materials, formulations (contents), containers, packaging, labeling, etc."

At the stage of sale to customers, the Customer First Promotion Division (Customer Consultation Center, Quality Assurance Section) collects and analyzes opinions and information from customers regarding products, and works to improve quality. Furthermore, in case a problem occurs in our products, we have established a system for responding to accidents and damage, disclosing information to the government and customers, recalling products, and preventing recurrence.

In addition, the mothproofing agents production lines of our factories in Fukushima, Saitama, and Kyushu have obtained "ISO9001" certification, and the factory in Tochigi (S.T. MYCOAL) has obtained "ISO9001" and "ISO13485."

<System to respond to customer feedback>

In order to use the inquiries and questions we receive from customers to improve products and identify and respond to issues, we report them to the management and related departments as "HOT VOICE REPORT." This fiscal year, we held a "Meeting to Experience Customers' Feedback" at the Customer Service Center, where the management and employees of related departments directly listen to customers' inquiries and opinions. In addition, we have participated in a telephone reception contest sponsored by the Users Association, and won the award for excellent performance in 2021, and the award for outstanding performance in 2022 in the regional tournament held in Shinjuku-ku, Tokyo, having won an award for five consecutive years. Furthermore, in fiscal 2022, we participated in the national competition for the first time. We are always endeavoring to improve customer satisfaction and service quality.

<Dissemination of useful information for daily life>

For our customers, we disseminate information that makes everyday life a little more convenient and enjoyable through our owned media "Kurashi ni Plus." Under the supervision of experts, we provide information and disclose guidebooks about useful information and countermeasures for everyday-life trouble, such as "countermeasures against ticks," "school disinfection and hygiene measures," and "preventive measures for hay fever."



New normal guide to preventive measures for hay fever, firm guard against COVID-19 and pollen

Initiatives for Local Communities

<Efforts for educational practice for local children>

We accept elementary and junior high school students from neighboring areas for workplace experience learning, and endeavor to draw their interest in the work of manufacturers and science through hands-on experience of manufacturing.

Additionally, we held a summer vacation event for elementary school students in Shinjuku-ku, where they held a hands-on course for producing deodorants.

(Organizer: The Shinjuku Foundation for Creation of Future)

<Efforts to support cultural activities>

Since 1998, as a cultural support activity, we have been hosting "musicals with free admission to all seats" throughout Japan. In 2020, the performance was unavoidably cancelled due to the spread of the novel coronavirus infection. However, in 2021, the performance was resumed with a limit on the number of people and thorough infection control measures at the venue. In 2022, performances were held in six cities, excluding Miyagi and Hokkaido, and a large audience was impressed.

<Efforts for collaboration and support with local communities>

During July of this term, in order to collaborate with companies working on forest maintenance, we signed a "forest development agreement of companies in Hokkaido" with Hokkaido Government Kushiro General Subprefectural Bureau, and Hokuto Co., Ltd, which runs a forest maintenance business and whose headquarters is located in Kushiro City, Hokkaido. We will acquire the naming rights for the maintenance area within the forest area, which is owned by the Hokkaido government and is under the management of Kushiro City, and will plant Sakhalin fir saplings using donations from our company as a financial resource to maintain the forest. In October, we invited S.T. CORPORATION's employees and local elementary school students to plant trees, and held a tree education class to learn about economic forest management and the utilization and functions of Sakhalin firs.



Signing ceremony for a forest development agreement of companies in Hokkaido



Tree planting by S.T. CORPORATION's employees and local elementary school students

Efforts for Governance

Compliance

Policy for Compliance

As for compliance, S. T. CORPORATION observes not only laws, and regulations but also internal and external rules, ethics, and social norms; fulfills social corporate responsibilities by putting its management philosophy and codes of conduct into practice; and strives to maintain and improve the trust of stakeholders.

Compliance System

S. T. CORPORATION established the compliance committee, to report its resolutions to the representative executive officer, the board of executive officers, and related groups, and its activities to the audit committee.

In-company Educational Activities

We carry out the following activities to further raise employees' awareness of compliance.

Enact a code of conduct and a whistle-blowing center.
Upload the collection of compliance-related cases to the Intranet.
Distribute an email magazine and news for education to every office of the company. (send once a month for each)
Conduct company-wide questionnaire survey. (once a year)
Conduct company-wide compliance test for self-checking. (twice a year)

Internal Control

For internal control, we promote system development in order to secure the adequacy of organizational business operation. In order to accomplish organizational goals effectively, efficiently, and properly, opinions inside and outside the company are constantly grasped and improvements are continuously made, while organizing rules and business processes.

Risk Management

Risks S. T. Bears

It is one of key focuses of the board and senior management to recognize risks, grasp the current status of each risk, and manage them properly and such management of risk is indispensable in order to conduct businesses successfully in a long period of time. The major risks S. T. faces are the effects of material prices, the influences of natural disasters and international situations on production, the uncertainty of sales due to weathers, and new businesses.

Risk Management System

For risk management, S. T. CORPORATION promotes the development of systems for preventing various management risks and minimizing possible damages. We established rules for risk management and organized the risk management committee which covers the entire group including all subsidiaries, in order to put in place the risk management system and set rules for how to react to events. The risk management committee reports risk management activities to the representative executive officer, the executive officer meeting, and the audit committee, and the audit group checks to ensure these systems work effectively.

Production of a Business Continuity Plan (BCP)

S. T. CORPORATION has produced action plans for responding to disaster, etc., and business continuity plans, including emergency drills, from the viewpoint of social responsibilities.

Efforts for Corporate Governance

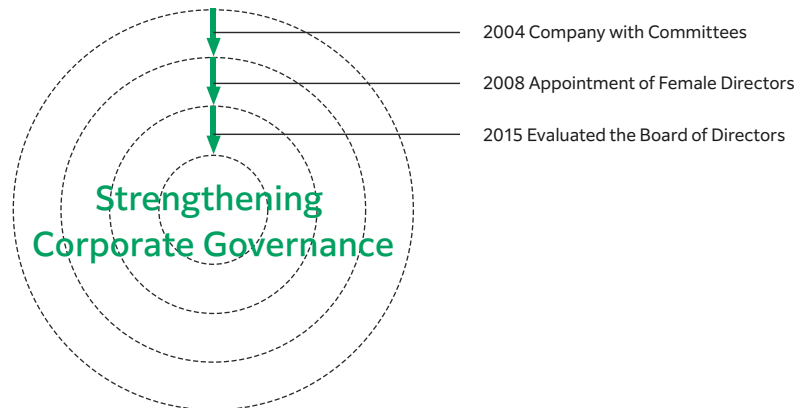
Approach to Corporate Governance

Our corporate group aims for sustainable synergistic development of enterprises and society. We believe that corporate governance is a “system to supervise” it. We recognize that it is important to establish an environment to ensure transparency and fairness in management, support proactive decision-making and appropriate disclosure of information.

We recognize that shareholders, society and the environment entrust us with valuable managerial resources, and aim to realize the sustainable growth of society and the environment and create corporate value in the medium to long terms, in cooperation with stakeholders, and will fulfill our accountability.

Efforts to Improve Corporate Governance

In June 2004, in order to enhance oversight function of the Board of Directors and the quality of management and enrich management practices such as prompt decision-making and agile execution of operation, the Company was reorganized into a company with committees (currently company with three committees), which is more transparent and fair and in which outside directors account for the majority of board members. In June 2008, a female director was appointed for the first time, and in June 2022, female directors make up 40% of the board (two out of nine executive officers is also woman). In addition, we appoint outside directors with a wide array of knowledge, experience and skills such as management, marketing, accounting and legal affairs, etc. Since 2015, a board evaluation has been also conducted on annual basis to improve the effectiveness of the Board.



Overview of Corporate Governance (Fiscal Year Ended March 2022)

Governance Type	Company with a nomination committee, etc.
Number of Board Member	10
Number of Outside Directors	5(50%)
Number of Independent Outside Directors	5 (filed as designated by Tokyo Stock Exchange)
Board Diversity	3 female Directors (30%)
Number of Board Meetings Held per Year	9 times
Average Attendance Rate of Board Meetings	100%
Director's Term	1 year
Chairman and CEO	Concurrent holding of positions
Nomination Committee	5 members (3 outside directors, chaired by an outside director, number of meetings held: 4)
Audit Committee	5 members (5 outside directors, chaired by an outside director, number of meetings held: 6)
Compensation Committee	3 members (2 outside directors, chaired by an outside director, number of meetings held: 4)

Remunerations of Directors and Executive Officers

The Compensation Committee sets and determines the remuneration policy. The remuneration system was revised on April 30, 2015 at the Compensation Committee, so that executive will be able to align interests with shareholders as they seek sustainable mid-term to long-term growth of corporate value. Moving towards the goal of mutual interests with shareholders, points are given to executive officers according to business results of each term, and a share remuneration system is adopted where shares are provided upon their retirement as part of a medium to long-term incentive.

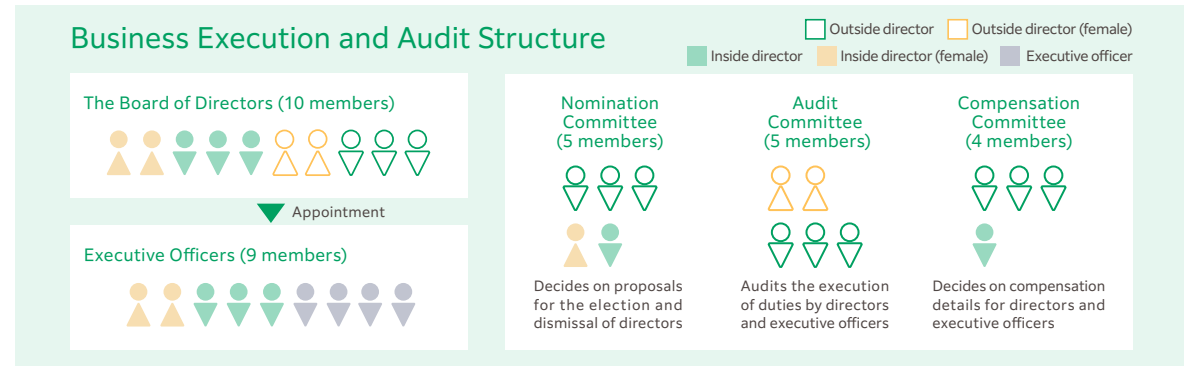
(Revised by the Compensation Committee on April 30, 2015)

(as of June 21, 2022)

Corporate Governance Structure

Under the company-with-nomination-committee system, the Board of Directors specializes in making decisions on important management matters, as well as supervising management. Executive Officers are delegated the authority to execute business operations in order to accelerate decision making and ensure agile business execution.

The "Nomination Committee," "Audit Committee," and "Compensation Committee" have been established as internal organs of the Board of Directors, of which the majority is comprised of Outside Directors, to enhance the effectiveness of supervision through the functions of each committee.



Skills Matrix of the Board of Directors

	Management strategy	Personnel development	Innovation	Sustainability	Brand and intellectual property strategies	Marketing	Global management strategy	IT and digital	Finance and accounting	Supply chain management	Compliance and risk control
Takako Suzuki	○				○						
Takashi Suzuki	○	○									
Naoto Onzo	○		○		○	○					
Mitsuko Miyagawa					○		○				○
Shinzo Maeda	○			○			○			○	
Shoichiro Iwata	○		○			○		○			
Hiroko Noda		○		○					○		○
Seiichi Nishida	○	○		○							○
Kaoru Yonemoto			○		○	○	○				
Kouichi Yoshizawa								○	○	○	

Board Composition

(As of June 21, 2022)

Director	Nomination	Audit	Compensation	
Chairperson of the Board	○			Takako Suzuki ※
Director	○			Takashi Suzuki ※
Director (Outside Director) ★	○	○	●	Naoto Onzo
Director (Outside Director) ★		●		Mitsuko Miyagawa
Director (Outside Director) ★	●	○	○	Shinzo Maeda
Director (Outside Director) ★	○	○	○	Shoichiro Iwata
Director (Outside Director) ★		○		Hiroko Noda
Director				Seiichi Nishida ※
Director				Kaoru Yonemoto ※
Director			○	Kouichi Yoshizawa ※
10 (Five of whom are Outside Directors)	5 members	5 members	4 members	

●Chairperson ○Committee member ※Holds the concurrent position of executive officer ★Independent Outside Director

Areas of Executive Officer Responsibility

(As of June 21, 2022)

Executive Officers	Responsibilities	
President & CEO	Overall management	Takako Suzuki ※
Chairperson	Overall management	Takashi Suzuki ※
Managing Executive Officer	In charge of the Corporate Value Enhancing Division, Customer First Promotion Division, New Business Development, Corporate Transformation	Seiichi Nishida ※
Managing Executive Officer	In charge of the Professional Use Business and the President of S.T. PRO Co., Ltd.	Yo Kozuki
Managing Executive Officer	In charge of the Global Marketing Division, Corporate Communication Division, Research & Development Division, and Overseas Group Companies Management	Kaoru Yonemoto ※
Executive Officer	In charge of the Business Administration Division and responsible for Domestic Group Companies	Kouichi Yoshizawa ※
Executive Officer	In charge of the Sales Division and the Head of Domestic Marketing Department	Naruaki Hashimoto
Executive Officer	In charge of the Manufacturing Division	Hideki Naito
Executive Officer	In charge of the Global Marketing Division	Masataka Shindo

※Holds the concurrent position of director

List of Directors (as of the end of Sep. 2022)



Takako Suzuki

Career summary, position and responsibilities

- Apr. 1984 Joined Nissan Motor Co., Ltd.
- Aug. 2001 Joined LVI Group Co., Ltd
(currently Louis Vuitton Japan Co., Ltd.)
- Apr. 2009 Representative Director, Shaldan Co., Ltd.
- Jan. 2010 Joined our company
- Mar. 2010 Manager assigned to the Manufacturing Division
- Apr. 2010 Executive Officer, in charge of the Customer Service Division, Fragrance Design, and New Business
- Oct. 2010 Executive Officer, Assistant General Manager of the Corporate Staff Division (in charge of business planning), in charge of fragrance design
- Apr. 2011 Executive Officer, in charge of Group Business Strategy and Fragrance Design
- June 2011 Director and Executive Officer, in charge of Group Business Strategy and Fragrance Design
- Apr. 2012 Director and Executive Officer, Special assignment to the Global Marketing Division
- Apr. 2013 Director, President & CEO
- May 2013 Director, Shaldan Co., Ltd. (current position)
- Mar. 2020 Outside Director, TRUSCO Nakayama Corporation (current position)
- June 2021 Chair of the Board, President & CEO of our company (current position)
- Sept. 2022 Outside Director, KING JIM Co., Ltd. (current position)

Attendance at board meetings and other meetings

Board of Directors' meetings 9/9 Nomination Committee meetings 4/4

Significant concurrent positions outside our company

Outside Director, TRUSCO Nakayama Corporation, Director, Shaldan Co., Ltd.
External Director, KING JIM Co., Ltd.

Number of our company's shares owned

515,088



Takashi Suzuki

Career summary, position and responsibilities

- Apr. 1984 Assistant General Manager, Corporate Relations Management Department, Nippon Life Insurance Company
- Mar. 1985 Joined our company
- Sept. 1986 Director, General Manager of the Planning Department
- Feb. 1991 Managing Director, in charge of administration
- Sept. 1997 Senior Managing Director
- Sept. 1998 Representative Director & President, General Manager of the Sales Division
- Aug. 2002 Representative Director & President, Chief Executive Officer
- June 2004 Chair of the Board, President & CEO
- Apr. 2007 Chair of the Board, Executive Officer
- June 2007 Director, Chair of the Board, Executive Officer, in charge of Group Strategy
- Apr. 2009 Director, Chair of the Board, President & CEO
- Apr. 2012 Director, Chair of the Board, CEO
- May 2012 Corporate Auditor, Shaldan Co., Ltd. (current position)
- June 2012 Chair of the Board, Chairman & CEO of our company
- Apr. 2021 Representative Director, Hiyoko Scholarship Foundation
- June 2021 Director and Chairperson (current position)
- Mar. 2022 Representative Director, Hiyoko Scholarship Foundation (current position)

Attendance at board members and other meetings

Board of Directors meetings 9/9 Nomination Committee meetings 4/4

Significant concurrent positions outside our company

Representative Director, Hiyoko Scholarship Foundation, Corporate Auditor, Shaldan Co., Ltd.

Number of our company's shares owned

665,600



Naoto Onzo

Career summary, position and responsibilities

- Apr. 1987 Research Associate, Waseda University School of Commerce
- Apr. 1996 Professor, School of Commerce
- Sept. 2004 Professor, Faculty of Commerce (current position)
- Sept. 2008 Director, Faculty of Commerce, Dean of School of Commerce
- June 2010 Outside Director of our company (current position)
- Apr. 2013 Trustee, Waseda University
- Sept. 2015 External Director, KING JIM Co., Ltd. (current position)
- June 2018 Outside Director, LOTTE Co., Ltd. (current position)
- Apr. 2019 Full-time Trustee, Waseda University (current position)

Attendance at board members and other meetings

Board of Directors' meetings 9/9 Nomination Committee meetings 4/4
 Compensation Committee meetings 4/4 Audit Committee meetings 6/6

Significant concurrent position outside our company

Full-time Trustee and Professor of Faculty of Commerce, Waseda University
 Outside Director, KING JIM Co., Ltd.
 Outside Director, LOTTE Co., Ltd

Number of our company's shares owned

-



Mitsuko Miyagawa

Career summary, position and responsibilities

- Apr. 1986 Registered as an attorney at law, and joined Nishimura & Sanada (currently Nishimura & Asahi)
- Oct. 1990 Joined TMI Associates
- Mar. 1994 Admitted to New York Bar, the United States
- Apr. 1995 Partner, TMI Associates (current position)
- Apr. 2005 Lecturer, Keio Law School
- June 2008 Outside Director of Our Company
- Apr. 2012 Auditor, Unilever Japan Holdings K.K.
- June 2015 Outside Director of Our Company (current position)
- June 2016 Outside Audit & Supervisory Board Member, Panasonic Corporation
- June 2019 Outside Director, Mitsubishi Motor Corporation

Attendance at board members and other meetings

Board of Directors' meetings 9/9 Nomination Committee meetings 1/1
 Audit Committee meetings 6/6

Significant concurrent position outside our company

Partner, TMI Associates

Number of our company's shares owned

-



Shinzo Maeda

Career summary, position and responsibilities

- Apr. 1970 Joined Shiseido Company, Limited
- June 1996 General Manager, Cosmetics Strategic Planning Department, Cosmetics Marketing Division
- Dec. 1997 Chief Officer of Asia-Pacific Regional Headquarters, International Operations Division, Shiseido Company, Limited, and Director and President, Shiseido Asia Pacific
- Apr. 2001 General Manager, Sales Promotion Department, Cosmetics Strategic Planning Department, Shiseido Company, Limited
- June 2003 Director, Executive Officer, and General Manager of Corporate Planning Department
- June 2005 President & CEO, Representative Director
- Apr. 2011 Chairman, Representative Director
- Apr. 2013 Chairman, Representative Director, President & CEO
- Apr. 2014 Chairman, Representative Director
- June 2014 Senior Advisor
- June 2015 Outside Director, Yuasa Trading Co., Ltd (current position)
- Sept. 2015 Outside Director, TOSHIBA Corporation
- June 2021 Outside Director of our company (current position)

Attendance at board members and other meetings

Board of Directors' meetings 6/6 Nomination Committee meetings 3/3
 Compensation Committee meetings 3/3 Audit Committee meetings 4/4

Significant concurrent position outside our company

Outside Director of Yuasa Trading Co., Ltd

Number of our company's shares owned

-



Shoichiro Iwata

Career summary, position and responsibilities

- Mar. 1973 Joined Lion Fat and Oil Co., Ltd. (currently Lion Corporation)
- Mar. 1986 Joined PLUS Corporation
- May 1992 General Manager, ASKUL Business Promotion Office, Sales Division
- Mar. 1997 President, ASKUL Corporation
- May 2000 President & Chief Executive Officer (CEO)
- June 2006 Outside Director, Shiseido Company, Limited
- Sept. 2019 Representative Director and President, FORCE marketing and management, inc. (current position)
- June 2021 Outside Director of our company (current position)

Attendance at board members and other meetings

Board of Directors' meetings 6/6 Nomination Committee meetings 3/3
 Audit Committee meetings 4/4

Significant concurrent position outside our company

Representative Director & President of FORCE marketing and management, inc.

Number of our company's shares owned

-



Hiroko Noda

Career summary, position and responsibilities

- Apr. 1987 Joined KPMG Minato Audit Corporation (currently KPMG AZSA Co.)
- Aug. 1987 Joined Tokyo Branch of Prudential Securities Incorporated
- Mar. 1990 Registered as Certified Public Accountant, Representative of NODA C.P.A. Accounting Firm (current position)
- Aug. 1992 Joined Tokyo Branch of Banque Indosuez S.A. (currently Credit Agricole CIB)
- June 2000 Joined Tokyo Branch of Canadian Imperial Bank of Commerce
- July 2006 Joined BUSICOM Co., Ltd.
- Sept. 2007 Representative Director, Prominent Consulting Co., Ltd.
- May 2010 Representative Director, Probity Consulting Co., Ltd. (current position)
- Apr. 2014 Part-time Lecturer, Graduate School of Asian and International Business Strategy, Asia University (current position)
- Mar. 2019 Outside Director, MODEC, Inc. (current position)
- Mar. 2019 Outside Director (Audit & Supervisory Committee Member), Okabe Co., Ltd. (current position)
- June 2021 Outside Director of Our Company (current position)
- June 2022 Outside Director, CHORI Co., Ltd. (current position)

Attendance at board members and other meetings

Board of Directors' meetings 6/6 Audit Committee meetings 4/4

Significant concurrent position outside our company

Representative of NODA C.P.A. Accounting Firm
 Representative Director, Probity Consulting Co., Ltd.
 Part-time Lecturer, Graduate School of Asian and International Business Strategy, Asia University
 Outside Director, MODEC, Inc.
 Outside Director (Audit & Supervisory Committee Member), Okabe Co., Ltd.
 Outside Director, CHORI Co., Ltd.

Number of our company's shares owned

-



Seiichi Nishida

Career summary, position and responsibilities

- Apr. 1987 Joined Nippon Life Insurance Company
- June 2010 Director, General Manager of the Corporate Planning Department, Nissay Information Technology Co., Ltd.
- Apr. 2011 Director, General Manager of the Corporate Planning Department, General Manager of the Legal Affairs and Compliance Management Office
- Apr. 2018 Director, Executive Officer, General Manager of the Corporate Planning Department, Nissay Leasing Company Limited
- Apr. 2020 Dispatched to our company, Manager assigned to the President
- June 2020 Manager, Business Management Division
- Apr. 2021 Joined Our Company, Executive Officer, in charge of the Business Management Division
- June 2021 Director and Executive Officer, in charge of the Business Management Division
- Sept. 2021 Director and Executive Officer, in charge of the Business Management Division, the Corporate Planning Office, and New Business Development
- Oct. 2021 Director and Executive Officer, in charge of the Business Management Division, the Corporate Planning Office, the ESG Promotion Office, and New Business Development
- Apr. 2022 Director and Managing Executive Officer, in charge of the Corporate Value Enhancing Division, the Customer First Promotion Division, New Business Development, and Management Reform
- May 2022 Director and Managing Executive Officer, in charge of the Corporate Value Enhancing Division, the Customer First Promotion Division, the New Business Development Office, and Management Reform (current position)

Attendance at board members and other meetings

Board of Directors meetings 6/6

Significant concurrent position outside our company

-

Number of our company's shares owned

1,000



Kaoru Yonemoto

Career summary, position and responsibilities

- Apr. 1982 Joined Unicharm Corporation
- Oct. 2018 Joined Our Company; General Manager, Overseas No. 2 Business Unit, Business Administration Division
- Oct. 2019 General Manager, Overseas Business Division, Manager, Overseas Marketing Group
- Apr. 2020 Executive Officer, in charge of the Overseas Business Division, General Manager of the Overseas Group Companies Management Headquarters
- Apr. 2021 Executive Officer, in charge of the Overseas Business Division, Overseas Group Companies Management
- Apr. 2022 Managing Executive Officer, in charge of the Global Marketing Division, Corporate Communication Division, Research and Development Division, and Overseas Group Companies Management
- June 2022 Director, Managing Executive Officer, in charge of the Global Marketing Division, Corporate Communication Division, Research and Development Division, and Overseas Group Companies Management (current position)

Attendance at board members and other meetings

-

Significant concurrent position outside our company

-

Number of our company's shares owned

-



Kouichi Yoshizawa

Career summary, position and responsibilities

- Apr. 1985 Joined Our Company
- Apr. 2007 Manager, Finance and General Affairs Group
- Apr. 2009 Manager, Management Planning Group
- Apr. 2010 Assistant General Manager, Corporate Staff Division, and Manager of the Management Planning Group
- Apr. 2012 Assistant General Manager, Business Administration Headquarters, Business Administration Division, and Manager of the Management Planning Group
- Apr. 2013 Senior Manager of the Management Planning Group
- Apr. 2014 Executive Officer, In charge of the Business Strategy Division and responsible for Domestic Group Companies, and Manager of the Management Planning Group
- June 2014 Director and Executive Officer, In charge of the Business Strategy Division and responsible for Domestic Group Companies
- Apr. 2017 Director and Executive Officer, In charge of the Business Strategy Division and Manufacturing Division
- Apr. 2018 Director and Executive Officer, In charge of the Business Strategy Division and responsible for Domestic Group Companies
- May 2018 Outside Director of NS FaFa Japan Co., Ltd.
- Oct. 2019 Director and Executive Officer, In charge of the Business Strategy Division and Business Management Division, and responsible for Domestic Group Companies
- Apr. 2021 Director and Executive Officer, In charge of the Business Administration Division and responsible for Domestic Group Companies (current position)

Attendance at board members and other meetings

Board of Directors meetings 9/9 Compensation Committee meetings 3/3

Significant concurrent position outside our company

-

Number of our company's shares owned

16,500

Financial Information

Accounting period	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
Fiscal year [million yen]										
Net Sales ^{*1·2·3}	46,944	46,993	48,263	48,351	45,958	48,627	47,782	47,546	49,674	45,470
Operating income	1,800	2,131	1,813	2,342	2,854	3,481	2,839	3,374	3,945	3,251
Ordinary income	1,141	1,497	1,598	1,725	2,903	3,470	2,722	3,344	3,737	3,481
Profit attributable to owners of parent	565	1,234	892	912	1,817	2,410	1,804	2,261	2,526	1,109
R&D expenses	572	564	513	536	611	596	643	725	790	851
Capital expenditures	2,061	942	1,486	1,758	608	1,822	3,060	3,137	1,335	2,696
Depreciation and amortization	830	894	844	1,128	997	970	1,109	1,390	1,350	1,197
Advertisement expenses	2,917	2,678	2,857	2,742	2,618	2,896	2,821	2,649	2,560	2,606
Free cash flow ^{*4}	-944	2,624	369	1,857	4,529	835	-119	-47	2,859	996
End of the fiscal year										
Total assets	30,076	32,370	33,785	34,924	38,458	42,112	41,976	43,276	46,817	44,402
Total net assets	20,213	21,087	22,600	23,496	25,812	29,022	29,223	30,136	32,633	31,847
Number of issued outstanding shares [thousand] ^{*5}	21,716	21,853	21,851	21,699	21,877	22,063	22,112	22,152	22,205	22,227
Financial indicators [%]										
Operating income margin	3.8	4.5	3.8	4.8	6.2	7.2	5.9	7.1	7.9	7.1
Return on assets (ROA) ^{*6}	1.9	4.0	2.7	2.7	5.0	6.0	4.3	5.3	5.6	2.4
Return on equity (ROE) ^{*7}	2.9	6.1	4.2	4.1	7.6	9.0	6.3	7.8	8.2	3.5
Equite ratio ^{*8}	65.4	63.2	64.8	65.2	65.3	66.8	68.2	68.5	68.5	70.4
Per share data [yen]										
Earnings per share [EPS] ^{*9}	26.01	56.74	40.83	42.01	83.57	109.58	81.66	102.19	113.90	49.91
Book value per share [BPS] ^{*10}	905.84	936.06	1,001.84	1,049.58	1,148.41	1,285.01	1,295.38	1,337.42	1,445.14	1,407.03
Cash flow per share ^{*11}	60.66	92.52	75.49	88.71	122.33	146.94	126.62	158.74	168.51	100.26
Dividends per share (DPS)	22.00	22.00	22.00	22.00	24.00	31.00	36.00	36.00	37.00	38.00
Payout ratio [%] ^{*12}	84.6	38.8	53.9	52.4	28.7	28.3	44.1	35.2	32.5	76.1
Common stock price ^{*13}	988	999	1,021	1,114	1,809	2,286	1,892	1,601	1,955	1,527

*1: The accounting policy was changed, and the new policy has been used from FY 3/2017.

*2: As the accounting standards were changed in FY 3/2019, the new accounting standards have been used from FY 3/2018.

*3: The accounting standards were changed in FY 3/2022.

*4: Free cash flow = Cash flow from operating activities + Cash flow from investing activities

*5: The number of outstanding shares does not include the number of treasury shares.

*6: Return on assets (ROA) = Profit attributable to owners of parent ÷ Total assets (average of the values at the beginning and end of the term) × 100

*7: Return on equity (ROE) = Profit attributable to owners of parent ÷ Equity capital (average of the values at the beginning and end of the term) × 100

*8: Capital-to-asset ratio = Equity capital (term-end) ÷ Total assets (term-end) × 100

*9: Earnings per share (EPS) = Profit attributable to owners of parent ÷ No. of outstanding shares (average in the term)

*10: Book value per share = Net assets ÷ No. of outstanding shares (term-end)

*11: Cash flow per share = (Profit attributable to owners of parent + Depreciation) ÷ No. of outstanding shares

*12: Payout ratio = Dividend per share ÷ BPS × 100 (calculated from consolidated figures)

*13: Closing share price as of the end of the term ending March

Non-financial Information

Accounting period	2018/3	2019/3	2020/3	2021/3	2022/3
Environment					
Total CO ₂ emissions [t-CO ₂] ^{*2}	3,619	3,500	4,039	3,864	2,892
Scope1[t-CO ₂]	1,027	977	972	956	978
Scope2[t-CO ₂] ^{*3}	2,592	2,523	3,067	2,908	1,914
Total weight of waste [t]	864	848	1,329	1,183	1,393
Water consumption [t]	40,634	40,638	44,269	45,378	45,054
Society					
No. of employees (consolidated)	952	948	1,032	997	953
No. of employees (domestic corporate group)	633	647	767	773	757
No. of regular employees	469	475	572	584	570
No. of female ones	138	147	199	211	209
No. of non-regular employees ^{*4}	164	172	195	189	187
No. of female ones	134	138	151	145	138
Total actual working hours per person per year [h] ^{*5}	1,667	1,674	1,691	1,743	1,744
Ratio of employees who have taken annual paid leave [%] ^{*6}	54.7	56.2	60.8	53.9	59.6
Ratio of female managers [%]	8.3	11.3	10.9	10.2	11.5
Favorability ranking of companies [place] ^{*7}	138	156	131	168	138
Governance					
Ratio of independent outside directors [%]	55.6	55.6	55.6	50.0	50.0
Ratio of female directors [%]	33.3	33.3	33.3	37.5	30.0

*1: The subject organization is S.T. Group (in Japan), except the number of employees (consolidated), the favorability ranking of companies, the ratio of independent outside directors, and the ratio of female directors

*2: Total CO₂ emissions mean the sum of Scopes 1 and 2.

*3: Scope 2 emissions was calculated by multiplying the consumption of electric power from renewable energy by the adjusted emission coefficient for each electric power menu and multiplying the other power consumption by the national average emission coefficient and then adding up them.

*4: The number of non-regular employees means the sum of the number of contract employees and the number of rehired retired employees.

*5: Total actual working hours per person per year is the working hours of regular employees.

*6: Ratio of employees who have taken annual paid leave is the ratio of regular employees who have taken paid leave.

*7: The favorability ranking of companies was taken from the Reputation-Business Person Edition of Nikkei Survey on Corporate Images.

Stock Information (as of March 31, 2022)

Stock Status

Total number of authorized shares	-----	96,817,000
Total number of outstanding shares	-----	23,000,000
No. of shares per trading lot	-----	100
No. of shareholders	-----	20,643

Major Shareholders

Shareholder	No. of shares held [thousand]	Shareholding ratio [%]
Chardin Co., Ltd.	5,587	24.8
The Master Trust Bank of Japan, Ltd. (trust company)	1,575	7.0
Nippon Life Insurance Company	1,337	5.9
Mizuho Trust & Banking Co., Ltd.; Employee Pension Trust; Mizuho Bank Account Second-tier trustee: Custody Bank of Japan, Ltd.	884	3.9
Takashi Suzuki	666	3.0
Fumakilla Limited	541	2.4
MUFG Bank, Ltd.	524	2.3
Takako Suzuki	515	2.3
Kanichi Suzuki	500	2.2
Suzuki Kanichi Shoten Ltd.	433	1.9

Notes

1. Shareholding ratio was calculated after deducting 489 thousand treasury shares.

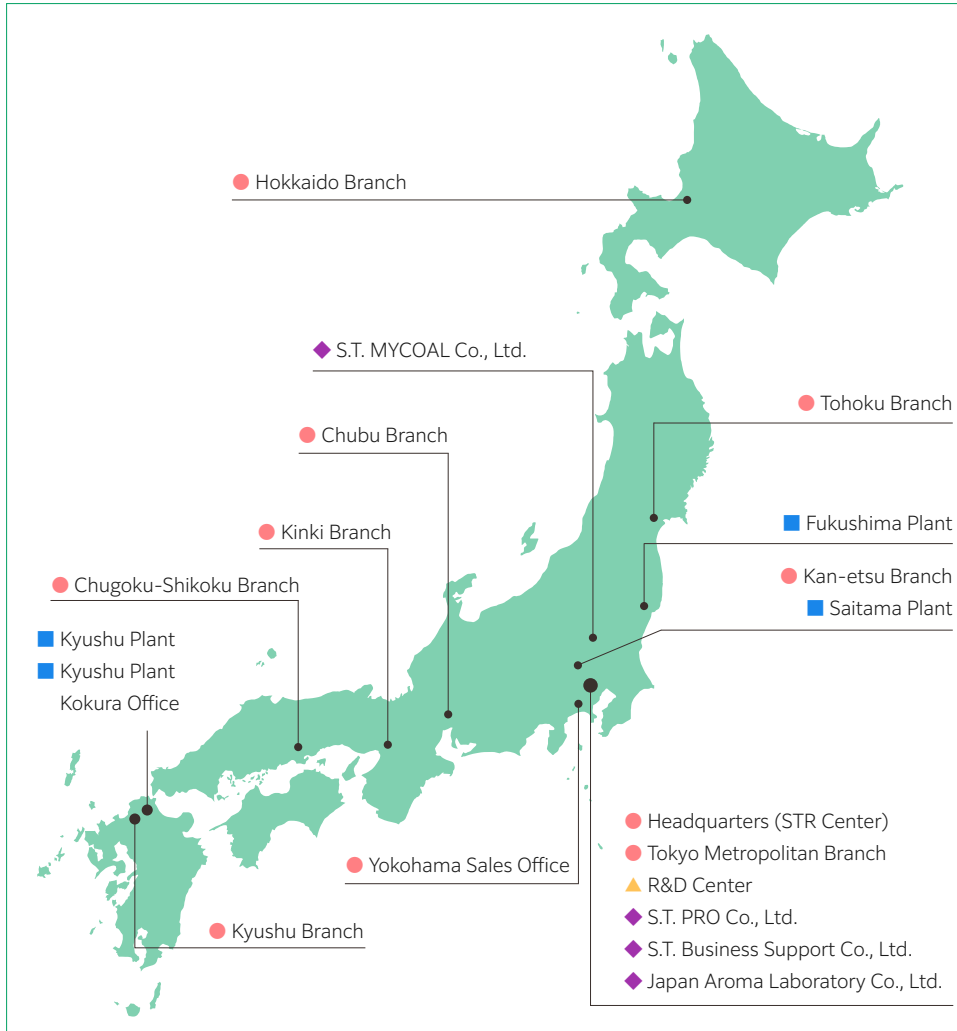
2. 884 thousand shares held by Mizuho Trust & Banking Co., Ltd.; Employee Pension Trust; Mizuho Bank Account (Second-tier trustee: Custody Bank of Japan, Ltd.) are the trust assets of Mizuho Trust & Banking, which set the shares of our company as employee pension trust.

Shareholder Composition



Location

Japan



● Headquarters/marketing base ■ Manufacturing base ▲ Research base ◆ Major group companies

Global



Corporate Profile and Group Companies

(as of March 31, 2022)

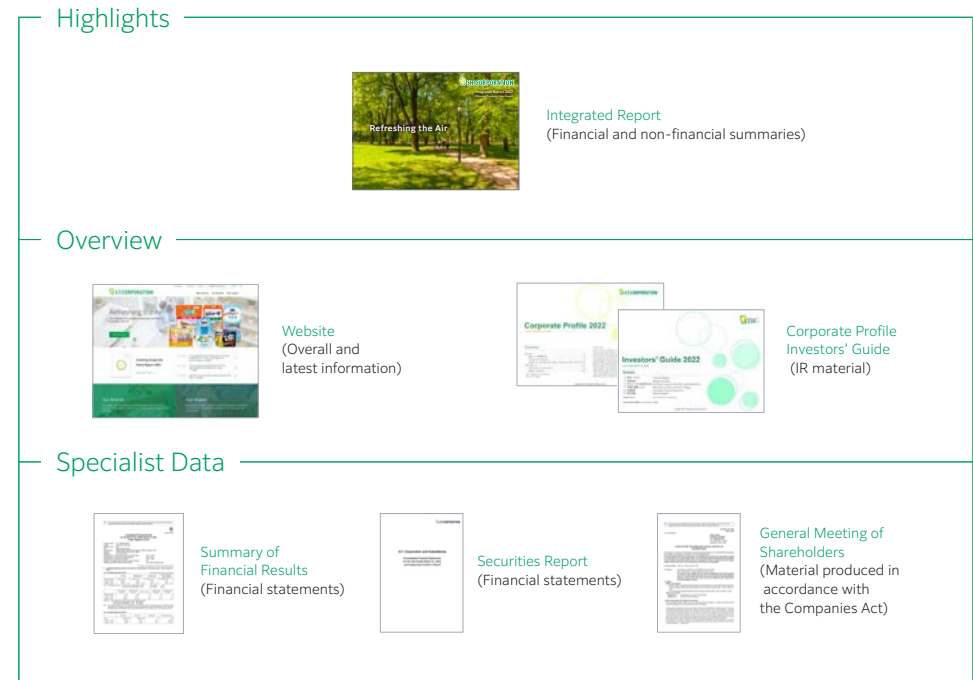
Entire Picture of Communication Tools

Corporate Profile

Corporate name: S.T. CORPORATION
 Address of the headquarters: 1-4-10 Shimoochiai, Shinjuku-ku, Tokyo 161-8540
 Tel: 03-3367-6111 (main)
 Date of establishment: August 31, 1948
 Account closing date: March 31
 No. of employees: 953 (consolidated) / 450 (non-consolidated), excluding part-timers and rehired retired employees
 Listed on: Prime Market of Tokyo Stock Exchange

Group Companies

Consolidated subsidiaries	Non-consolidated subsidiary
· S.T. PRO CO., LTD.	· Japan Aroma Laboratory Co., Ltd.
· S.T. Business Support Co., Ltd.	Equity-method affiliates
· S.T. MYCOAL CO., LTD.	· Aekyung S.T. Co.,Ltd. (South Korea)
· S.T. (Thailand) Co., Ltd.	· NS FaFa Japan Co., Ltd.
· Family Glove Co., Ltd. (Taiwan)	Other affiliated companies
· S.T. Korea Corporation (South Korea)	· Shaldan Co., Ltd.
· Shaldan (Thailand) Co., Ltd.	



Our communication tools are available in "S.T. Archive" of our website. Please feel free to browse them.

