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November 8, 2023

## Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: S.T. CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 4951  
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 Scheduled date to file quarterly securities report: November 14, 2023  
 Scheduled date to commence dividend payments: December 8, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2023	22,916	(2.3)	1,371	(16.8)	1,808	(2.0)	1,208	(0.9)
September 30, 2022	23,448	(0.1)	1,649	(36.2)	1,846	(32.0)	1,218	(34.0)

Note: Comprehensive income For the six months ended September 30, 2023: ¥1,442 million [13.1%]  
 For the six months ended September 30, 2022: ¥1,275 million [(14.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	54.27	—
September 30, 2022	54.80	—

Note: Diluted earnings per share are not given since there are no dilutive shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2023	46,402	33,928	71.8	1,495.71
March 31, 2023	46,116	32,961	70.2	1,456.38

Reference: Equity  
 As of September 30, 2023 ¥33,335 million  
 As of March 31, 2023 ¥32,390 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2024	–	21.00			
Fiscal year ending March 31, 2024 (Forecast)			–	21.00	42.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	46,350	1.7	2,450	1.4	2,800	2.5	1,900	3.9	85.43

Note: Revisions to the earnings forecasts most recently announced: None

\* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: – companies

Excluded: – companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	23,000,000 shares
As of March 31, 2023	23,000,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2023	712,474 shares
As of March 31, 2023	759,210 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	22,264,170 shares
Six months ended September 30, 2022	22,240,850 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. Please refer to "(3) Explanation of consolidated earnings forecasts and other forward-looking statements" of "1. Qualitative information on quarterly consolidated financial results" on page 3 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

Method of obtaining the supplementary material on quarterly financial results

We intend to post the supplementary material on quarterly financial results to the "Investors" page of our corporate website soon after the announcement of the financial results for the six months ended September 30, 2023, on Wednesday, November 8, 2023.

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## 1. Qualitative information on quarterly consolidated financial results

### (1) Explanation of operating results

During the six months ended September 30, 2023, the Japanese economy showed signs of modest recovery as consumer spending and corporate capital investment remained steady amid the normalization of economic activities. On the other hand, a sense of uncertainty about the future persists for various reasons, including international instability related to the prolonged situation in Russia and Ukraine and inflation concerns related to yen depreciation and rising raw material prices.

Under these conditions, the Group is working on “focusing on existing core business to increase profits,” “countermeasures to soaring material costs,” “continuous investment towards domains for growth,” and “creating a base to survive periods of ESG” in order to enable sustainable growth under brand value management.

For the six months ended September 30, 2023, the Group’s net sales amounted to 22,916 million yen (down 2.3% year on year) due to declines in main categories such as Cloth Care and Hand Care where demand has slowed down.

As for profit, although selling, general and administrative expenses decreased due to price hikes in major product categories and curbs on marketing expenses, operating profit amounted to 1,371 million yen (down 16.8% year on year) due to a rise in the cost of sales ratio accompanying higher raw material prices, ordinary profit amounted to 1,808 million yen (down 2.0% year on year) due to insurance claim income, and profit attributable to owners of parent amounted to 1,208 million yen (down 0.9% year on year) due to the absence of loss on disaster that occurred in the previous fiscal year.

Given that the Group operates a single segment of the daily necessities business, operating results by business category are as follows.

In the Air Care (Deodorizers and Air Fresheners) category, we have been engaging in efforts that involve strengthening high-value added products. Although sales of Shoshu-Riki DEOX series have slowed, Shoshu-Riki Premium Aroma For Sleep for Bedrooms, a bedroom fragrance to support the creation of a comfortable space, which has been added to the lineup of the Shoshu-Riki Premium Aroma series contributed, as well as sales of high-value-added products, such as Shoshu-Riki Premium Aroma Stick and Shoshu-Riki for Toilet Premium Aroma increased. Net sales were 10,745 million yen (up 0.3% year on year).

In the Cloth Care (Mothproofing Agents) category, we are focusing on hanging-storage-type products for closets and walk-in closets in line with changes in storage styles and working to expand sales of large-volume-type products. Sales of existing core products, including Mushuda for Closets, Mushuda for Drawers and Clothes Cases, and Neopara Ace, declined due to sluggish purchasing behavior in the spring season due to increased opportunities to go out, resulting in net sales of 4,031 million yen (down 9.1% year on year).

In the Thermal Care (Disposable Warmers) category, we are working to revise the profit structure. Thanks to reviewing the selling price of disposable warmers, net sales were 1,218 million yen (up 9.5% year on year).

In the Hand Care (Household Gloves) category, we worked to expand sales of gloves for professional use, which are highly valued for their functionality. Sales of Family Vinyl Thin Gloves with antiviral finger tips and ultra-thin type disposable gloves declined, as demand for these gloves driven by heightened hygiene awareness slowed. Net sales were 2,579 million yen (down 10.7% year on year).

In the Humidity Care (Dehumidifiers) category, we moved forward with a shift toward high value-added products by strengthening sales of the Bincho-tan series and Drypet Clear products. Despite sales of tank-type products contributing due to price increases, sales of sheet-type products dropped, resulting in net sales of 1,918 million yen (down 1.2% year on year).

In the Home Care (Others) category, we have been aggressively promoting efforts to expand sales of pet care products as a developing business, as well as developing the Senjo-Riki and Kome-Touban brands. Thanks to growth in sales of Kome-Touban and ST Pet, net sales were 2,423 million yen (up 2.7% year on year).

Category	Net sales (Millions of yen)	Composition (%)	Year-on-year (%)
Air Care (Deodorizers and Air Fresheners )	10,745	46.9	0.3
Cloth Care (Mothproofing Agents)	4,031	17.6	(9.1)
Thermal Care (Disposable Warmers)	1,218	5.3	9.5
Hand Care (Household Gloves)	2,579	11.2	(10.7)
Humidity Care (Dehumidifiers)	1,918	8.4	(1.2)
Home Care (Others)	2,423	10.6	2.7
Total	22,916	100.0	(2.3)

**(2) Explanation of financial position**

Total assets as of September 30, 2023, stood at 46,402 million yen, an increase of 286 million yen from the end of the previous fiscal year. The increase is mainly attributable to factors that include a decrease in cash and deposits of 2,686 million yen, an increase in notes and accounts receivable - trade of 2,217 million yen, and an increase in merchandise and finished goods of 743 million yen.

Liabilities were 12,474 million yen, a decrease of 680 million yen from the end of the previous fiscal year. The decrease is mainly attributable to factors that include an increase in accounts payable - other of 236 million yen, a decrease in other current liabilities of 262 million yen, and a decrease in electronically recorded obligations - operating of 190 million yen.

Net assets were 33,928 million yen, an increase of 966 million yen from the end of the previous fiscal year. The increase is mainly attributable to factors that include an increase in retained earnings of 758 million yen and an increase in valuation difference on available-for-sale securities of 77 million yen.

Consequently, equity amounted to 33,335 million yen and the equity ratio was 71.8%, up 1.6 percentage points from the end of the previous fiscal year.

Consolidated cash flows

Cash and cash equivalents as of September 30, 2023, stood at 11,313 million yen, decreased by 2,690 million yen from the end of the previous fiscal year.

The main contributing factors affecting the respective cash flows during the six months ended September 30, 2023 are as follows.

## 1) Cash flows from operating activities

Net cash used in operating activities was 1,657 million yen (compared with 420 million yen provided in the same period of the previous fiscal year). The major inflows were profit before income taxes of 1,795 million yen and depreciation of 621 million yen, while the major outflows were an increase in trade receivables of 2,182 million yen, an increase in inventories of 786 million yen, a decrease in trade payables of 535 million yen and income taxes paid of 537 million yen.

## 2) Cash flows from investing activities

Net cash used in investing activities was 535 million yen (compared with 889 million yen used in the same period of the previous fiscal year). The major outflows were purchase of property, plant and equipment of 245 million yen, and purchase of shares of subsidiaries of 150 million yen.

## 3) Cash flows from financing activities

Net cash used in financing activities was 572 million yen (compared with 420 million yen used in the same period of the previous fiscal year). The major outflow was dividends paid of 450 million yen.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

The consolidated earnings forecasts are unchanged from the forecasts for the six months ended September 30, 2023, and the fiscal year ending March 31, 2024, announced in the financial results report released on May 8, 2023.

The consolidated earnings forecasts are determined by the Company based on information available as of the date of this material's release. Actual results may differ from the forecast figures due to various factors going forward.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,149	11,463
Notes and accounts receivable - trade	6,079	8,296
Merchandise and finished goods	5,956	6,699
Work in process	200	231
Raw materials and supplies	1,109	1,169
Other	692	546
Allowance for doubtful accounts	(33)	(48)
Total current assets	28,154	28,357
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,050	4,023
Machinery, equipment and vehicles, net	1,611	1,710
Tools, furniture and fixtures, net	136	127
Land	3,599	3,611
Leased assets, net	180	177
Construction in progress	76	11
Total property, plant and equipment	9,655	9,662
Intangible assets		
Other	1,358	1,272
Total intangible assets	1,358	1,272
Investments and other assets		
Investment securities	5,795	6,084
Long-term loans receivable	4	2
Retirement benefit asset	6	6
Deferred tax assets	557	415
Other	585	602
Total investments and other assets	6,947	7,111
Total non-current assets	17,962	18,045
<b>Total assets</b>	<b>46,116</b>	<b>46,402</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,883	2,716
Electronically recorded obligations - operating	3,151	2,960
Short-term borrowings	497	529
Lease liabilities	62	70
Accounts payable - other	1,222	1,458
Accrued expenses	619	612
Income taxes payable	646	522
Accrued consumption taxes	209	67
Electronically recorded obligations - non-operating	20	178
Other	2,082	1,819
Total current liabilities	11,394	10,935
Non-current liabilities		
Lease liabilities	79	75
Deferred tax liabilities for land revaluation	262	262
Provision for retirement benefits for directors (and other officers)	100	12
Provision for share awards for directors (and other officers)	86	40
Retirement benefit liability	1,216	1,127
Other	15	21
Total non-current liabilities	1,760	1,539
Total liabilities	13,155	12,474
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,065	7,065
Capital surplus	7,047	7,047
Retained earnings	17,928	18,686
Treasury shares	(1,002)	(942)
Total shareholders' equity	31,038	31,857
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,974	2,052
Revaluation reserve for land	(537)	(537)
Foreign currency translation adjustment	(119)	(66)
Remeasurements of defined benefit plans	34	29
Total accumulated other comprehensive income	1,352	1,478
Non-controlling interests	570	592
Total net assets	32,961	33,928
Total liabilities and net assets	46,116	46,402



**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**  
**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	23,448	22,916
Cost of sales	14,045	13,959
Gross profit	9,402	8,957
Selling, general and administrative expenses	7,752	7,585
Operating profit	1,649	1,371
Non-operating income		
Interest income	3	6
Dividend income	76	79
Purchase discounts	63	56
Share of profit of entities accounted for using equity method	2	–
Insurance claim income	–	224
Other	76	99
Total non-operating income	223	466
Non-operating expenses		
Interest expenses	2	5
Share of loss of entities accounted for using equity method	–	17
Foreign exchange losses	14	–
Other	8	6
Total non-operating expenses	26	29
Ordinary profit	1,846	1,808
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	3
Loss on valuation of investment securities	–	9
Loss on disaster	33	–
Total extraordinary losses	34	13
Profit before income taxes	1,811	1,795
Income taxes - current	528	406
Income taxes - deferred	10	112
Total income taxes	539	518
Profit	1,272	1,277
Profit attributable to non-controlling interests	53	68
Profit attributable to owners of parent	1,218	1,208

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,272	1,277
Other comprehensive income		
Valuation difference on available-for-sale securities	(139)	77
Foreign currency translation adjustment	139	89
Remeasurements of defined benefit plans, net of tax	(4)	(4)
Share of other comprehensive income of entities accounted for using equity method	7	3
Total other comprehensive income	3	165
Comprehensive income	1,275	1,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,162	1,334
Comprehensive income attributable to non-controlling interests	113	108

**(3) Quarterly consolidated statement of cash flows**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,811	1,795
Depreciation	701	621
Loss on disaster	33	–
Loss (gain) on sale and retirement of non-current assets	1	3
Loss (gain) on sale and valuation of investment securities	–	9
Increase (decrease) in allowance for doubtful accounts	11	14
Increase (decrease) in retirement benefit liability	(103)	(95)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(6)	(88)
Increase (decrease) in provision for share awards for directors (and other officers)	(5)	(46)
Interest and dividend income	(80)	(86)
Interest expenses	2	5
Foreign exchange losses (gains)	(50)	(70)
Share of loss (profit) of entities accounted for using equity method	(2)	17
Decrease (increase) in trade receivables	(1,934)	(2,182)
Decrease (increase) in inventories	(336)	(786)
Increase (decrease) in trade payables	888	(535)
Increase (decrease) in accrued consumption taxes	76	(141)
Other, net	(352)	360
Subtotal	654	(1,205)
Interest and dividends received	80	90
Interest paid	(2)	(5)
Income taxes refund (paid)	(311)	(537)
Net cash provided by (used in) operating activities	420	(1,657)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(696)	(245)
Proceeds from sale of property, plant and equipment	0	3
Purchase of intangible assets	(170)	(88)
Purchase of investment securities	(5)	(56)
Purchase of shares of subsidiaries	–	(150)
Other, net	(17)	1
Net cash provided by (used in) investing activities	(889)	(535)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	30	(3)
Purchase of treasury shares	(0)	(0)
Dividends paid	(427)	(450)
Dividends paid to non-controlling interests	–	(86)
Other, net	(23)	(31)
Net cash provided by (used in) financing activities	(420)	(572)
Effect of exchange rate change on cash and cash equivalents	66	75
Net increase (decrease) in cash and cash equivalents	(823)	(2,690)
Cash and cash equivalents at beginning of period	11,843	14,004
Cash and cash equivalents at end of period	11,019	11,313

**(4) Notes to quarterly consolidated financial statements**

**Notes on going concern assumption**

Not applicable.

**Notes when there are significant changes in amounts of shareholders' equity**

Not applicable.

**Application of specific accounting for preparing the quarterly consolidated financial statements**

No important matter to be stated.

**Segment information**

Six months ended September 30, 2022 and six months ended September 30, 2023

This information is omitted as the Group operates the daily necessities segment as a single segment.