



## Refreshing the Air

Our vision is to brighten and enliven the lives of customers with air.

We have focused on niche markets, and reeled in customers while developing products with the keywords: “understanding through listening, seeing, and using.”

Our company’s strength is the fact that we possess numerous original brands that occupy a large market share in niche markets, such as the deodorizer and air freshener Shoshu-Riki, the mothproofing agent Mushuda, the deodorizer Dashu-Tan, the dehumidifier Drypet, and the mothproofing agents for rice bins Kome-Touban.

Presently, our business environment is dramatically changing, as environmental problems become more serious, the social structure transforms, and globalization progresses, however, we will advance the establishment of a robust business foundation to cope with such changes.

From now on, we will aim to become a globally operating comprehensive air-care business group that meets society’s expectations by contributing to the solution of social issues through our business and utilizing our new unique air-care technologies.

### Compilation Policy

This report includes the efforts for creating corporate value as an annual report on the business activities of the S.T. Group. With reference to the requests, opinions, etc. from stakeholders, it includes important issues (financial and non-financial information) for both stakeholders and the S.T. Group.

**[Scope of reporting]** See “Overview of Communication Tools” on page 13.

**[Target organizations]** The document reports on our company, or the S.T. Group (consolidated), if not mentioned. The “S.T. Group” means the entire S.T. Group, the “S.T. Group (in Japan)” means S.T. (non-consolidated) and group companies in Japan, and the “S.T. (non-consolidated)” means S.T. Corporation (non-consolidated).

**[Target period]** April 1, 2020 to March 31, 2021

**[Date of issuance]** August 2021

**[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 the economic situation, business environment, market demand, and foreign currency exchange rate fluctuations in the future.

**[Market share]** INTAGE Inc.’s SRI+ (in value terms) for “deodorizers (for refrigerators)” during a 3-year period from 2018 to 2020, “mothproofing agents for food” during a 4-year period from 2017 to 2020, “disposable warmers, (excluding those for the eye parts)” during a year period from April 2020 to March 2021, other items during a period from January to December 2020, “deodorizers and air fresheners (excluding those for clothes and anti-virus ones)” and “mothproofing agents (excluding those for dolls).”

Dehumidifiers  
(Market Share: No.1)

38%

Mothproofing Agents  
(Market Share: No.1)

52%

Household Gloves  
(Market Share: No.2)

20%



Warmers  
(Market Share: No.3)

17%

Deodorizers and Air Fresheners  
(Market Share: No.2)

24%

Deodorizers  
(Market Share: No.1)

80%

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## **Establishment of a Management Foundation that Is Not Affected by the External Environment**

We have set the air-care business as the core of creating corporate value and the following three as growth drivers. Along these three drivers, S.T. Group will continue to provide value not only to households but also to business establishments and public spaces, aiming for all its brands to become the leading name in their categories.

### **Innovation in the Air-care Business**

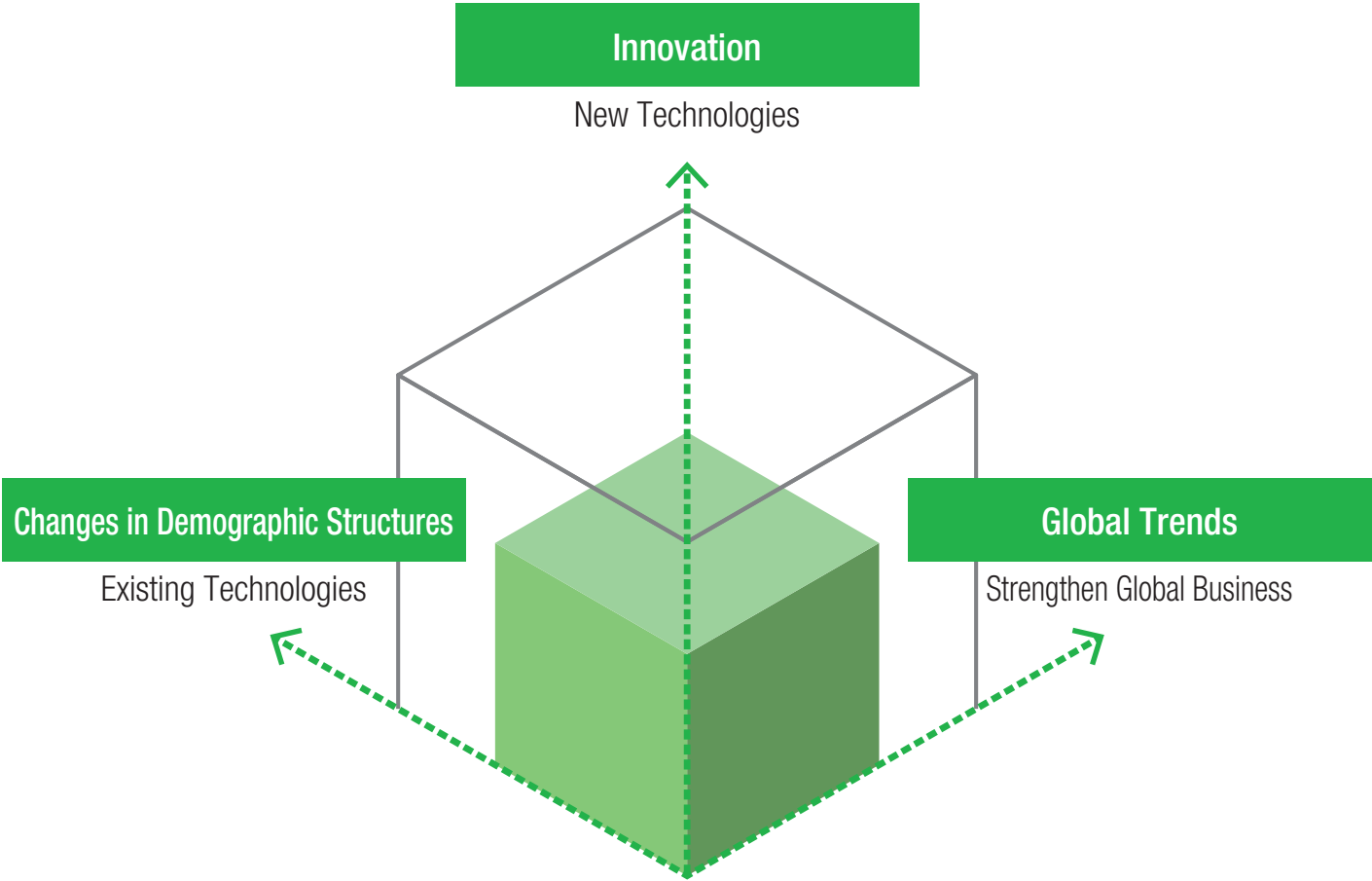
The first driver is the innovation in the air-care business. We have launched innovations and pioneered the market with our new technologies to solve the social issues of the times. We will continue to set the innovation in the air-care business as the first growth driver and work on market creation by developing new technologies.

### **Responding to Changes in Demographic Structures**

The second growth driver is responding to structural changes in Japanese society and global issues. In response to social issues such as population decline, aging population, and rapid increase in people requiring nursing care, and growing global environmental awareness, we will take on the challenge of developing new fields and new markets by utilizing our new unique air-care technologies and thermal technologies. At the same time, we will work on a recycling-oriented business.

### **Acceleration of Globalization**

The third growth driver is to accelerate globalization. Demand from foreign visitors to Japan has plummeted due to the impact of the novel coronavirus, but there is a strong sense of trust in Japanese products worldwide. S.T. Group will spread its knowledge and new technologies cultivated by handling domestic social issues to the world.





## To Become an Organization that Fulfills What it Says

### Review on the Fiscal Year Ended March 31, 2021

In the fiscal year under review, as the final year of the second medium-term management plan, under the management policy “Brand Value Management,” we continued to focus on growth in sales and profits based on the concept, “From Sowing the Seeds of Growth to its Nurturing.” Under such circumstances, net sales increased to 49.7 billions of yen (4.5% increase from the previous year) as a result of sales growth in all categories due to the demand of people staying and eating at home and the heightened hygiene awareness because of the spread of the novel coronavirus in the fiscal year under review.

By looking at each category, we will find that in the Air Care category, sales of products with high unit price and high added value such as Shoshu-Riki Premium Aroma were strong. Also, the performance of Dashu-Tan deodorizer was steady due to the rising demand from people eating at home, and Shoshu-Riki’s new products, such as DEOX, etc. contributed to sales. As a result, net sales were 21.4 billions of yen (1.3% increase from the previous year).

In Cloth Care category, net sales were 9.4 billions of yen (1.7% increase from the previous year). This was attributed to the growth in mothproofing agents’ sales and the contribution of the new product

Mushuda, a tick repellent, because of the increased demand for the seasonal change of clothing due to the effects of people staying at home in the spring season of 2020.

Net sales in Thermal Care increased to 4.5 billions of yen (3.8% increase from the previous year) because of the rise in demand for disposable warmers due to the effects of the cold weather during the year-end and New Year holidays.

In the Hand Care category, net sales augmented to 6.9 billions of yen (20.2% increase from the previous year) since the high demand for gloves, due to heightened hygiene awareness because of the spread of the novel coronavirus both in Japan and overseas.

In Humidity Care category, net sales were 3.4 billions of yen (2.0% increase from the previous year) due to the shift to high value-added products and the strong performance of the Bincho-Tan Drypet series.

In Home Care category, the performance of products related to people staying and eating at home, such as Kome-Touban and Senjo-Riki washing machine tub cleaner, was favorable. As for BtoB, Dr. CLEAN+, a hygiene-related product, contributed to sales. This resulted in net sales of 4.1 billions of yen (7.9% increase from the previous year).

In terms of profits, despite the soaring glove costs and rising marketing costs, due to an increase in sales volume of high value-added products, operating income was 3.9 billions of yen (16.9% increase from the previous year), ordinary income was 3.7 billions of yen (11.7% increase from the previous year), and profit attributable to owners of parent was 2.5 billions of yen (11.7% increase from the previous year). Also, net sales and profits increased, reaching new record highs.

The second medium-term management plan and the fiscal year under review can be summarized as follows. Sales and profits increased due to the impact of the spread of the novel coronavirus, but we cannot say that the results are satisfactory. We are halfway through with the five management strategies, which are 1) existing business share to become No. 1 and maximizing profits, 2) entering new fields and adjacent categories, 3) transforming the thermal care business to be a growth driving business, 4) concentrating overseas on strategic areas and specific businesses, and 5) growing into a management foundation that achieves sales of 100 billions of yen.

#### Initiatives Taken in the Year Ending March 31, 2022

This is the first year of the third medium-term management plan, and we have positioned it as a year of building the critical foundation for realizing the vision we want to achieve in the next three years. There is no change in the direction of growth so far.

In this term, we will work on the following five priority points with the aim of becoming an organization that Fulfills What it Says.

#### To Become an Organization that Fulfills What it Says

- (1) Solidification of the existing business profit structure  
(Possessing the No. 1 market share and maximizing profit)
- (2) Improving resources for growth engines  
(Overseas, BtoB, EC, Thermal Care)
- (3) Entry to and development of new fields and markets  
(the new Clear Forest business, industrial-used disinfectants, and futuristic air care)
- (4) Strengthening the management foundation through digital transformation and ESG management
- (5) Improvement of organizational capacity

(1) For the solidification of the existing business profit structure, we will work on possessing the No. 1 market share and maximizing profit in the two primary businesses, the air care and cloth care categories. First, in the air care business, we will expand our market share by strengthening area marketing and developing high value-added products such as Shoshu-Riki Premium Aroma and Shoshu-Riki DEOX. In the cloth care business, we will develop the Mushuda brand

in the tick repellent market, an adjacent category to mothproofing agents. In addition, we will improve the cost ratio in both businesses which have high volume.

(2) For improving resources for growth engines, we will invest management resources in overseas, BtoB, EC, and Thermal Care. First, overseas, we will continue to promote structural reforms and focus on Asia, a strategic area, with products that can be differentiated in the market. Next, in BtoB, we will continue to strengthen the industrial-used business brand S.T.PRO, launched in the fiscal year under review. In EC, we will continue to develop products and new sales methods for EC companies. As for Thermal Care, we will develop new concepts utilizing thermal technology, expand the sales channel of BtoB heat insulation material for food delivery, HEAToGo, and develop new thermal care products for overseas markets.

(3) For entry to and development of new fields and markets, we will work on the new Clear Forest business, industrial-used disinfectants, and futuristic air care as seeds for the future. In the new Clear Forest business, we will develop and commercialize new businesses and develop our original brand products. As for industrial-used disinfectants, we will continue to improve Dr. CLEAN+, which was released in the fiscal year under review. In futuristic air care, we will promote the development of air care technology that solves daily problems and social problems.

(4) For strengthening the management base through digital transformation and ESG management, we will promote business reforms through core systems, productivity improvement with digital transformation, work style reforms in line with the times, and promotion of ESG management.

(5) Improvement of organizational capacity means strengthening organizational capacity through personnel structural reforms, creating innovation through diversity, and creating a culture in which we can actively take on challenges.

#### Accelerating the Shift “From Sowing the Seeds of Growth Nurturing”

This is the first year of the third medium-term management plan. In the first medium-term management plan, we focused on profits, and in the second medium-term management plan, we sowed growth seeds. In this term, we will further nurture the growth buds that we have grown so far. We look forward to your continued support in the future.



Takako Suzuki  
Chairman of the Board, President & CEO

## Corporate Governance

We are aiming for the sustainable co-growth of enterprises and society. We think of corporate governance as a system that supervises our activities toward that goal. It is important to develop an environment for securing the transparency and fairness of management facilitating active decision making, and disclosing information properly. 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.

### Development of Corporate Governance System

In June 2004, in order to enhance the 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 2021, female directors make up 30.0% of the board (two out of nine executive officers are 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.

### Remunerations of Directors and Executive Officers

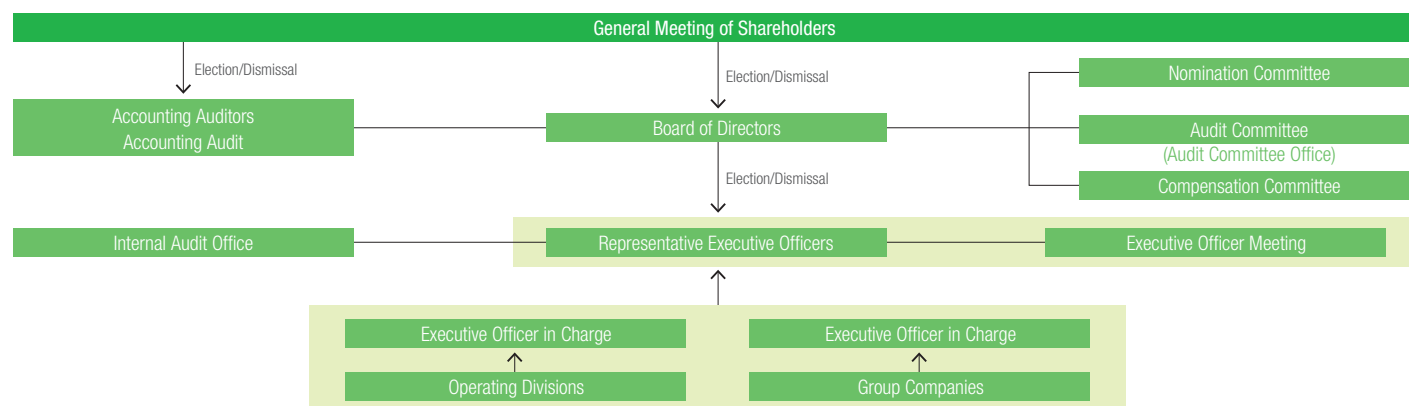
The remunerations of directors and executive officers are designed for improving corporate value.

### Overview of Corporate Governance

(Year ended March 31, 2021)

Governance Type	Company with three committees
Number of Board Members	8
Number of Outside Directors	4 (50%)
Number of Independent Outside Directors	3 (Notified as the independent outside directors designated by the Tokyo Stock Exchange)
Board Diversity	3 female directors (37.5%)
Number of Board Meetings Held per Year	7 times
Average Attendance Rate of Board Meetings	100%
Director's Term	1 year
Chairman and CEO	One person serving as both
Nomination Committee	5 members (3 outside directors; chaired by an outside director)
Audit Committee	4 members (4 outside directors; chaired by an outside director)
Compensation Committee	3 members (2 outside directors; chaired by an outside director)

### Corporate Governance Structure





## Board of Directors

(As of June 16, 2021)



**Takako Suzuki**  
Chairman of the Board



**Takashi Suzuki**  
Director



**Naoto Onzo**  
Director (Outside Director)



**Mitsuko Miyagawa**  
Director (Outside Director)



**Shinzo Maeda**  
Director (Outside Director)



**Shoichiro Iwata**  
Director (Outside Director)



**Hiroko Noda**  
Director (Outside Director)



**Masaaki Shiina**  
Director



**Kouichi Yoshizawa**  
Director



**Seiichi Nishida**  
Director

## Board Composition

(As of June 16, 2021)

Directors	Nomination Committee	Audit Committee	Compensation Committee	Name
Chairman 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				Masaaki Shiina ※
Director			○	Kouichi Yoshizawa ※
Director				Seiichi Nishida ※
10 directors (Five of whom are outside directors)	5 members	5 members	3 members	

◎: Chairperson ○: Committee member ※: Holds the concurrent position of executive officer

☆ Independent Outside Director

## Areas of Executive Officer Responsibility

(As of June 16, 2021)

Executive Officers	Responsibilities	Name
President & CEO	Overall management	Takako Suzuki ※
Chairman	Overall management	Takashi Suzuki ※
Managing Executive Officer	In charge of the Business Management Division and the Corporate Communication Division	Yo Kouzuki
Managing Executive Officer	In charge of the R&D Division and the Manufacturing Division	Tsukasa Konda
Managing Executive Officer	In charge of the Sales Division	Masaaki Shiina ※
Executive Officer	In charge of the Business Administration Division and responsible for Domestic Group Companies	Kouichi Yoshizawa ※
Executive Officer	In charge of the International Business Division and Overseas Group Companies Management	Kaoru Yonemoto
Executive Officer	In charge of the Corporate Administration Division	Seiichi Nishida ※
Executive Officer	In charge of the Corporate Planning Office, New Businesses Department, and the General Manager of the Corporate Planning Office	Naruaki Hashimoto

※: Holds the concurrent position of director

## Risk Management and Compliance

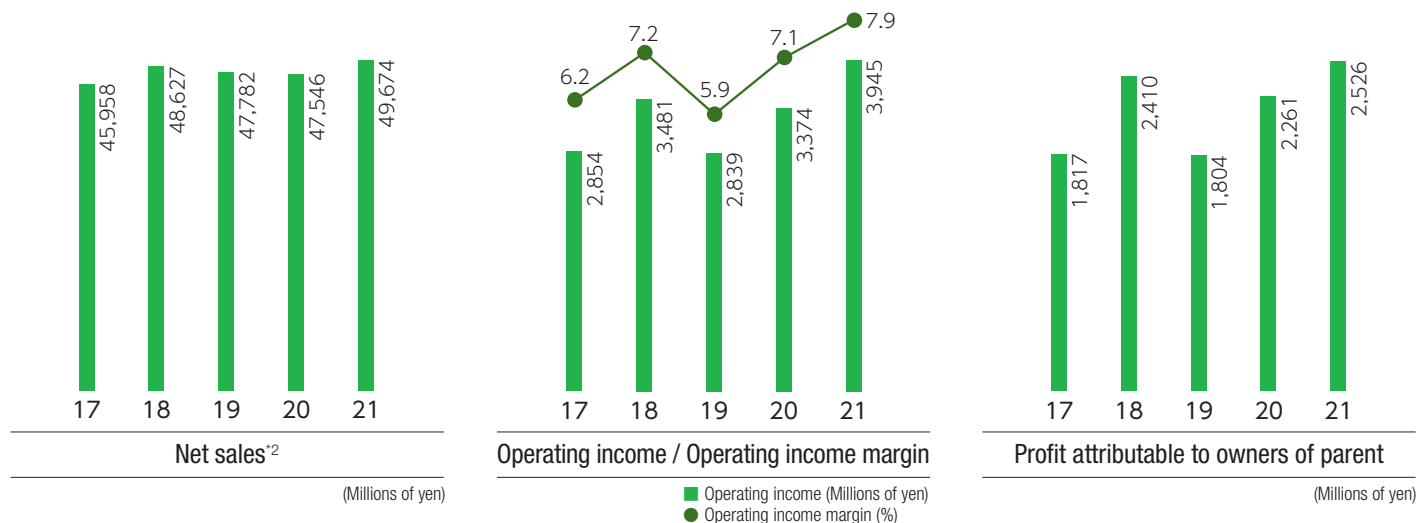
For internal control, we promote system development in order to secure the adequacy of organizational business operation. In order to accomplish organizational goals effectively, efficiently, and properly, opinions inside and outside the company are constantly grasped and improvements are continuously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

We consider that risk control is the most important issue for management. We are working to establish a system that can prevent

occurrence of various management risks surrounding the company, minimize damage in the event that incidents do occur, and to prevent their reoccurrence.

As for compliance, we observe not only laws and regulations, but also internal and external rules, ethics, and social norms; fulfill social requirements, and expectations by putting our management philosophy, ethical standards and codes of conduct into practice; and strive to maintain and improve the trust of stakeholders.

## Financial and Non-Financial Highlights



Fiscal Year (Ended March 31)	Millions of yen			
	2012	2013	2014	2015
<b>For the Year</b>				
Net sales <sup>2</sup>	¥46,354	¥46,944	¥46,993	¥48,263
Operating income	1,751	1,800	2,131	1,813
Profit attributable to owners of parent	76	565	1,234	892
R&D expenses	659	572	564	513
Capital expenditures	1,007	2,061	942	1,486
Depreciation and amortization	931	830	894	844
Free cash flow	773	-944	2,624	369
<b>At Year-End</b>				
Total assets	30,287	30,076	32,370	33,785
Total net assets	19,701	20,213	21,087	22,600
Number of issued outstanding shares (Thousands) <sup>3</sup>	21,718	21,716	21,853	21,851

### Financial Indicators

Operating income margin	3.8	3.8	4.5	3.8
ROA <sup>4</sup>	0.3	1.9	4.0	2.7
ROE <sup>5</sup>	0.4	2.9	6.1	4.2
Equity ratio	63.4	65.4	63.2	64.8

### Non-Financial Indicators

CO <sub>2</sub> emissions (Tons) <sup>16</sup>	3,727	3,930	3,884	3,752
Number of employees (People)	647	663	760	859
Ratio of female directors to total directors (%)	25.0	30.0	33.3	44.4
Ratio of outside directors to total directors (%)	50.0	50.0	55.6	55.6

### Per Share Information

Profit attributable to owners of parent	¥3.48	¥26.01	¥56.74	¥40.83
Net assets	884.45	905.84	936.06	1,001.84
Dividends	22	22	22	22
Stock prices <sup>17</sup>	1,025	988	999	1,021

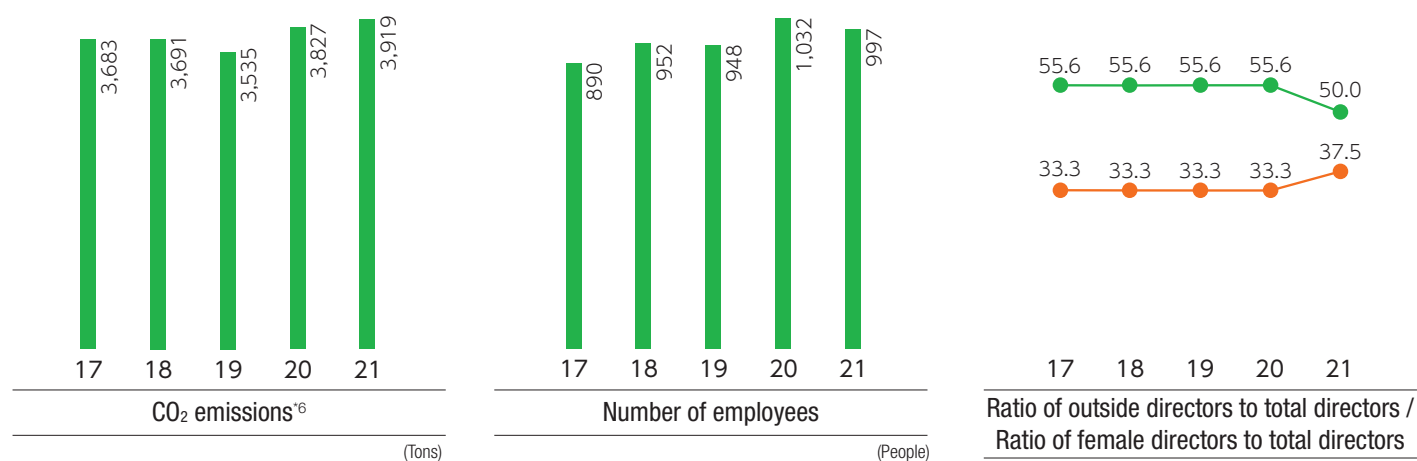
Notes: 1. U.S. dollar amounts are translated from yen for convenience only, at the rate of ¥110.71= U.S.\$1.00, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2021.

2. Effective from the fiscal year ended March 31, 2017, we have applied the new accounting standards.

3. Number of issued outstanding shares does not include that of treasury shares.

4. ROA = Profit attributable to owners of parent / average total assets for the fiscal year.

S.T. Group (in Japan)



	2016	2017	2018	2019	2020	Millions of yen 2021	Thousands of U.S.dollars <sup>1</sup> 2021
	¥48,351	¥45,958	¥48,627	¥47,782	¥47,546	¥49,674	\$448,683
	2,342	2,854	3,481	2,839	3,374	3,945	35,635
	912	1,817	2,410	1,804	2,261	2,526	22,816
	536	611	596	643	725	790	7,139
	1,758	608	1,822	3,060	3,137	1,335	12,060
	1,128	997	970	1,109	1,390	1,350	12,192
	1,857	4,529	835	-119	-47	2,859	25,827
	34,924	38,458	42,112	41,976	43,276	46,817	422,875
	23,496	25,812	29,022	29,223	30,136	32,633	294,760
	21,699	21,877	22,063	22,112	22,152	22,205	
						%	
	4.8	6.2	7.2	5.9	7.1	7.9	
	2.7	5.0	6.0	4.3	5.3	5.6	
	4.1	7.6	9.0	6.3	7.8	8.2	
	65.2	65.3	67.3	68.2	68.5	68.5	
	3,688	3,683	3,691	3,535	3,827	3,919	
	860	890	952	948	1,032	997	
	37.5	33.3	33.3	33.3	33.3	37.5	
	50.0	55.6	55.6	55.6	55.6	50.0	
						Yen	U.S.dollars
	¥42.01	¥83.57	¥109.58	¥81.66	¥102.19	¥113.90	\$1.03
	1,049.58	1,148.41	1,285.01	1,295.38	1,337.42	1,445.14	13.05
	22	24	31	36	36	37	0.33
	1,114	1,809	2,286	1,892	1,601	1,955	17.66





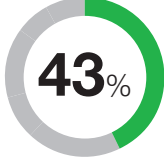




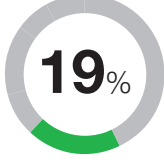




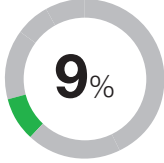




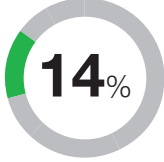




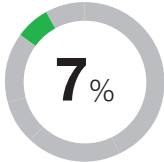




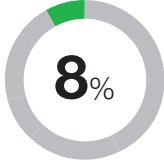
5. ROE = Profit attributable to owners of parent / average total equity (total net assets - subscription rights - non-controlling interests in consolidated subsidiaries) for the fiscal year.

6. The CO<sub>2</sub> emissions from the S.T. Group (in Japan)

7. The stock prices were as of the end of the fiscal years ended March 31.

8. As a result of new accounting standards being applied effective from the fiscal year ended March 31, 2019, the figures since fiscal years 2018 reflect those changes.

## Business at a Glance

Business by Category	Proprietary Brand	Market Share and Rank (Japan)	Composition of Net Sales	Sales/YoY
<b>Air Care</b> (Deodorizers and Air Fresheners)	Shoshu-Riki commercial on TV    	Air Fresheners <b>24%</b> (Market Share: No.2) Deodorizers <b>80%</b> (Market Share: No.1)		<b>21,355</b> Millions of yen +1.3%
<b>Cloth Care</b> (Mothproofing Agents)	Mushuda commercial on TV    	Mothproofing Agents <b>52%</b> (Market Share: No.1)		<b>9,424</b> Millions of yen +1.7%
<b>Thermal Care</b> (Warmers)	   	Warmers <b>17%</b> (Market Share: No.3)		<b>4,490</b> Millions of yen +3.8%
<b>Hand Care</b> (Gloves)	   	Household Gloves <b>20%</b> (Market Share: No.2)		<b>6,923</b> Millions of yen +20.2%
<b>Humidity Care</b> (Dehumidifiers)	   	Dehumidifiers <b>38%</b> (Market Share: No.1)		<b>3,385</b> Millions of yen +2.0%
<b>Home Care</b> (Cleaners and Other Products)	   			<b>4,097</b> Millions of yen +7.9%

### Overseas

The ratio of overseas sales is 6%. We strengthen global business as a pillar of growth.

### Promoting Capital and Business Alliances

We concluded contracts for capital and business tie-ups with FUMAKILLA LIMITED, NS FaFa Japan Co., Ltd., and AT AROMA Co., Ltd.

### Development of New Businesses

Cultivate domestic new fields and new markets by utilizing our new unique air-care technologies.

Market Environment	Salient Business Features and Strengths	Overview of Fiscal 2021 and Strategies Going Forward
<ul style="list-style-type: none"> <li>● The deodorizers and air fresheners market is a growing market. High value-added products are showing a growth trend, with further growth expected by stimulating the market.</li> <li>● In 2020, sales of household use products expanded due to people staying at home. On the other hand, sales of industrial-used and car-use products shrank.</li> </ul>	<ul style="list-style-type: none"> <li>● Mainstay business division accounting for about 40% of the Company's total sales. A business that is expected to experience future growth.</li> <li>● This division owns unique brands, including our largest brand Shoshu-Riki, SHALDAN for enjoying more fragrance, and Dashu-Tan, which deodorizes air with the power of charcoal.</li> </ul>	<ul style="list-style-type: none"> <li>● Sales of the high value-added products, Shoshu-Riki Premium Aroma, and Dashu-Tan, were favorable in the fiscal year under review. The new product Shoshu-Riki DEOX also contributed to the increase in sales.</li> <li>● Continuing to utilize the strengths of our flagship brand this year and taking steps to vitalize the market with new products.</li> </ul>
<ul style="list-style-type: none"> <li>● The mothproofing agents market is flat and stable. With changes in storage styles, responding to diverse needs will be the key in the future.</li> <li>● In 2020, the market expanded because of people staying at home.</li> <li>● The tick repellent market is a growing market. Both effectiveness and safety, such as products being made from 100% natural ingredients, are required.</li> </ul>	<ul style="list-style-type: none"> <li>● A foundation business rivaling the importance of the Air Care category in terms of marketing.</li> <li>● This category comprises topline brands including Mushuda and Neopara, which are well recognized for their reliability in protecting clothes from moths. In this fiscal year under review, we entered the tick repellent market, which is an adjacent market.</li> </ul>	<ul style="list-style-type: none"> <li>● In the spring of 2020, sales of mothproofing agents rose due to increased demand for the seasonal change of clothing because of people staying at home. The sales increase was also attributable to tick repellents.</li> <li>● In the year ending March 31, 2022, we will meet the demand that has risen in the fiscal year under review and expand our share in the tick repellent market.</li> </ul>
<ul style="list-style-type: none"> <li>● Climate change significantly impacts the market. Difficult to differentiate products. Intense market competition. We anticipate domestic new field and new market which use thermal technology in the future.</li> </ul>	<ul style="list-style-type: none"> <li>● Winter-based product range. Provide an additional point-of-sale management role linked to spring and autumn mothproofing agents.</li> <li>● Possessing disposable warmer brand Onpacks and the On Style brand for protection from cold.</li> </ul>	<ul style="list-style-type: none"> <li>● In the winter season of the fiscal year under review, demand for disposable warmers expanded due to the severe winter during the year-end and New Year holidays. Thus, sales increased.</li> <li>● We will focus on expanding year-round products that are not affected by climate change by using thermal technology.</li> </ul>
<ul style="list-style-type: none"> <li>● The domestic glove market is expanding for both household and industrial use. In the overseas glove market, price competition for industrial use is intensifying. In the overseas glove market, price competition for industrial use is intensifying. In addition to improving work efficiency, proposals for improved functionality and added value are key points.</li> <li>● In 2020, the market expanded due to heightened hygiene awareness because of the spread of the novel coronavirus.</li> </ul>	<ul style="list-style-type: none"> <li>● An inaugural, enduring division with a history of six decades together with the Cloth Care category.</li> <li>● This category is comprised of the Family series of household gloves, Modelobe series of industrial-use gloves and other products. Gloves with reinforced fingertips and NBR gloves with good puncture resistance have been marketed.</li> </ul>	<ul style="list-style-type: none"> <li>● In the fiscal year under review, demand for gloves expanded due to heightened hygiene awareness caused by the novel coronavirus leading to a rise in sales.</li> <li>● Continuing to strengthen and nurture the brand by proposing high value-added products.</li> </ul>
<ul style="list-style-type: none"> <li>● The dehumidifier market is growing. Difficult to differentiate products. Intense market competition. In the future, proposing added value such as new applications and new functions is vital.</li> </ul>	<ul style="list-style-type: none"> <li>● This business has consistently led the market since Drypet was first launched in 1981.</li> <li>● This category is comprised of the mainstay brand Drypet, as well as other products including Bincho-Tan Drypet, which offers a deodorizing function together with dehumidifying; a solid lineup including refill- and sheet-type products.</li> </ul>	<ul style="list-style-type: none"> <li>● In the fiscal year under review, sales increased due to the shift to high value-added products and the strong performance of the Bincho-Tan Drypet series.</li> <li>● In the year ending March 31, 2022, we will focus on the waste-reducing type Drypet Clear and Drypet Compact and contribute to reducing the amount of plastic waste.</li> </ul>
<ul style="list-style-type: none"> <li>● Robust conditions in the niche cleaner and mothproofing agents for rice bins markets.</li> <li>● In 2020, the market related to the demands of people staying and eating at home expanded because of the novel coronavirus.</li> </ul>	<ul style="list-style-type: none"> <li>● This business is currently fostering the niche cleaner market and is coordinating efforts to nurture other new products that are under development.</li> <li>● It owns unique products, such as the cleaners including Senjo-Riki and Ohisamano-Sentaku, and the mothproofing agents for rice bins Kome-Touban. It is offering household care products under the Yells brand.</li> </ul>	<ul style="list-style-type: none"> <li>● In the fiscal year under review, sales increased because of the strong performance of Kome-Touban and Senjo-Riki washing machine tub cleaner due to the demand from people eating and staying at home. Also, BtoB products contributed to sales.</li> <li>● We will endeavor to make inroads into new fields such as BtoB for further growth in the year ending March 31, 2022, too.</li> </ul>

Overseas, sales of gloves are growing due to the spread of the novel coronavirus. In the fiscal year under review, we continued our strategic structural reforms.

Utilizing the fact that the business areas of the three companies are complementary to each other, we will try to improve the development and profitability of the three companies' businesses. We will take advantage of the companies possessing different strengths in different business areas (BtoC and BtoB) to achieve mutual business development.

Bringing Morilabo into the healthcare market and Air Forest and Dr. CLEAN+ into the BtoB market using Clear Forest technology which incorporates forest's functional aroma.

# Sustainability Overview

## Environment

Initiative Themes	Year Ended March 31, 2021 and Initiatives Going Forward
Climate Change	<ul style="list-style-type: none"> <li>● [Climate change mitigation and adaptation] (Reduction of CO<sub>2</sub> emissions) Continued propelling a modal shift and hybridization of company cars.</li> </ul>
Pollution and Resources	<ul style="list-style-type: none"> <li>● [Prevention of pollution] Continued reducing waste and recycling at each and every plant and conducting energy-saving activities.</li> <li>● [Sustainable resource use] Continued managing air conditioning at each department and performing educational activities through information monitors, etc.</li> </ul>
Products and Services	<ul style="list-style-type: none"> <li>● [Ensure healthy lives] Released our anti-pollen product MoriLabo, which was developed by using Clear Forest technology that incorporates a forest's natural ingredients.</li> <li>● [Development of environmentally friendly products] Released Air Forest Botanical, Japan's first deodorizing mist for hotels and inns that uses Eco Mark certified bottles* * The deodorant containers are certified by the Japan Environment Association.</li> <li>● [Reduction of plastic consumption] Participating in Loop, the container collection and reuse business, and promoting waste and plastic reduction in product design.</li> </ul>

## Social

Initiative Themes	Year Ended March 31, 2021 and Initiatives Going Forward
Responsibility towards Customers	<ul style="list-style-type: none"> <li>● [Protecting consumers' health and safety] Regularly holding meetings of PL Committee that discusses matters concerning quality.</li> <li>● [Consumer data protection and privacy] To develop a management system in accordance with the Act on the Protection of Personal Information, and conduct inspection on a regular basis.</li> <li>● [Fair marketing, factual and unbiased information and fair contractual practices] Continued providing the products/useful information, quality information, and other information, on its website.</li> <li>● [Consumer service, support, and complaint and dispute resolution] In the customer consultation room, we continue to deal with frequently asked questions, explanations on how to use products, and complaints about products.</li> </ul>
Labor Practices	<ul style="list-style-type: none"> <li>● [Ethical Standards] Behavior in compliance with ethical standards, respect for human rights, and prohibition of discrimination.</li> <li>● [Conditions of work and social protection] Proceeded with diverse work styles including offering annual paid leaves by the hour and accumulating holidays, staggered shifts for child rearing and nursing care, telework, and flextime system.</li> <li>● [Employment and employment relationship] In order to reduce long working hours, continued reviewing tasks assigned to its employees.</li> <li>● [Promotion of women's advancement] The ratio of female directors is 30%, and the female managers' ratio is 12%.</li> <li>● [Health Management Declaration] No harassment declaration.</li> <li>● [Health and safety at work] Under the Business Continuity Plan (BCP), continued inspection, correction, and improvement, including disaster drills. We regularly held a hygiene committee (with an industrial physician as a member) to carry out hygiene management activities.</li> <li>● [Support for human resources development] We offered training by position, career design training, language learning, and marketing ability development support.</li> <li>● [Human development and training in the workplace] Continued providing its employees with educational programs such as e-learning.</li> <li>● [Social dialogue] Continued having dialogue with labor unions, etc. and promoted the use of employee attitude surveys, employee consultation desks, and in-house intranets.</li> </ul>
Contribution to Local Communities	<ul style="list-style-type: none"> <li>● [Sustainable industrialization (new jobs), sustainably managed forests] Through the comprehensive collaboration agreement with the Hokkaido Government, we continued promoting the use and raising awareness of Sakhalin fir and energizing the local industry.</li> <li>● [Cultural project] We hold musicals nationwide together with citizens. * In 2020, the performance was canceled to prevent the spread of the novel coronavirus.</li> <li>● [Disaster and welfare support] Supporting disaster-stricken areas.</li> <li>● [Educational support] Providing workplace experience learning opportunities for elementary and junior high schools in neighboring areas.</li> </ul>

## Corporate Data

### Company Name

S.T. CORPORATION

### Headquarters

1-4-10 Shimo-ochiai, Shinjuku Ward, Tokyo  
161-8540 Japan  
Telephone: +81-3-3367-6111

### Establishment

August 31, 1948

### Fiscal Year-end

March 31

### Common Stock

¥7,065,500,000

### Employees (As of March 31, 2021)

Consolidated: 997  
Non-consolidated: 457  
(Excluding part-time and temporary employees)

### Listed Stock Exchange

Tokyo Stock Exchange, First Section

### Group Companies

S.T. PRO CO., LTD.  
S.T. Business Support Co., Ltd.  
S.T. MYCOAL CO., LTD.  
S.T. (Thailand) Co., Ltd.  
Family Glove Co., Ltd. (Taiwan)  
S.T. Korea Corporation (South Korea)  
Japan Aroma Laboratory Co., Ltd.  
Shaldan (Thailand) Co., Ltd.

## Overview of Communication Tools

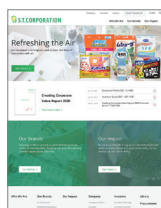
### Highlights



#### Creating Corporate Value Report (Japanese edition / English edition)

An easy-to-understand annual report (pdf) on activities aimed at creating corporate value for all stakeholders.

### Overview



#### Corporate Information Website (Japanese site / English site)

In addition to introducing each of the Company publications, the Corporate Information Website is a comprehensive tool that provides the latest information and an overview of S.T. CORPORATION to all stakeholders.



#### Corporate Profile (Japanese edition / English edition)

#### Investors' Guide (Japanese and English compilation)

A compilation and comprehensive tool overviewing the Company as a whole in a Data Book (pdf) format for the benefit of investors.

### Specialized data



#### Creating Corporate Value Report Financial Section (English edition)

Compilation Data Book (pdf) and separate supplement containing financial data for the most recent fiscal year.

Communication tools are available within the Library section of the Company's Corporation Information Website.



1-4-10 Shimo-ochiai, Shinjuku Ward, Tokyo 161-8540 Japan  
<https://www.st-c.co.jp/english/>



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