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February 7, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: S.T. CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 4951  
 URL: <https://www.st-c.co.jp/>  
 Representative: Yo Kouzuki, Representative Executive Officer, President, COO  
 Inquiries: Kouichi Yoshizawa, Managing Executive Officer  
 Telephone: +81-3-3367-6314  
 Scheduled date to file quarterly securities report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	35,061	(1.7)	1,949	(13.9)	2,483	(2.9)	1,708	2.5
December 31, 2022	35,664	1.1	2,263	(25.8)	2,556	(20.7)	1,666	(24.1)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥2,061 million [14.2%]  
 For the nine months ended December 31, 2022: ¥1,805 million [20.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	76.72	–
December 31, 2022	74.94	–

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
December 31, 2023	45,041	34,074	74.2	1,500.52
March 31, 2023	46,116	32,961	70.2	1,456.38

Reference: Equity  
 As of December 31, 2023 ¥33,442 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 December 31, 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 December 31, 2023	712,514 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)

Nine months ended December 31, 2023	22,271,944 shares
Nine months ended December 31, 2022	22,240,835 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 nine months ended December 31, 2023, on Wednesday, February 7, 2024.

## ○Attached Material Index

1. Qualitative information on quarterly consolidated financial results .....	2
(1) Explanation of operating results .....	2
(2) Explanation of financial position .....	3
(3) Explanation of consolidated earnings forecasts and other forward-looking statements .....	3
2. Quarterly consolidated financial statements and significant notes thereto.....	4
(1) Quarterly consolidated balance sheet .....	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income .....	6
Quarterly consolidated statement of income (cumulative).....	6
Quarterly consolidated statement of comprehensive income (cumulative).....	7
(3) Notes to quarterly consolidated financial statements .....	8
Notes on going concern assumption.....	8
Notes when there are significant changes in amounts of shareholders' equity .....	8
Application of specific accounting for preparing the quarterly consolidated financial statements .....	8
Segment information .....	8

# 1. Qualitative information on quarterly consolidated financial results

## (1) Explanation of operating results

During the nine months ended December 31, 2023, the Japanese economy showed signs of modest recovery as capital investment remained steady given visible improvement in corporate earnings 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 the situation in the Middle East, and stagnating consumer spending prompted by rising 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 nine months ended December 31, 2023, the Group’s net sales amounted to 35,061 million yen (down 1.7% year on year) due to a decline in Thermal Care due to a mild winter, along with a slowdown in demand in Cloth Care and Hand Care.

As for profit, despite price hikes in major product categories, operating profit amounted to 1,949 million yen (down 13.9% year on year) due to increased costs of production accompanying higher raw material prices and also due to an increase in selling, general and administrative expenses caused by new business investment, ordinary profit amounted to 2,483 million yen (down 2.9% year on year) due to insurance claim income, and profit attributable to owners of parent amounted to 1,708 million yen (up 2.5% 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 15,950 million yen (up 1.8% 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 and Mushuda for Wardrobes, declined due to sluggish purchasing behavior in the spring season due to increased opportunities to go out, resulting in net sales of 5,184 million yen (down 8.2% year on year).

In the Thermal Care (Disposable Warmers) category, we are working to revise the profit structure. Despite improvement in profit upon having reviewed the selling price of disposable warmers, net sales were 3,887 million yen (down 6.9% year on year) amid a slowdown in demand this winter season given a tendency toward a mild winter.

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 4,239 million yen (down 3.1% 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 2,418 million yen (down 1.9% 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 3,380 million yen (up 1.4% year on year).

Category	Net sales (Millions of yen)	Composition (%)	Year-on-year (%)
Air Care (Deodorizers and Air Fresheners)	15,950	45.5	1.8
Cloth Care (Mothproofing Agents)	5,184	14.8	(8.2)
Thermal Care (Disposable Warmers)	3,887	11.1	(6.9)
Hand Care (Household Gloves)	4,239	12.1	(3.1)
Humidity Care (Dehumidifiers)	2,418	6.9	(1.9)
Home Care (Others)	3,380	9.6	1.4
Total	35,061	100.0	(1.7)

## (2) Explanation of financial position

Total assets as of December 31, 2023, stood at 45,041 million yen, a decrease of 1,074 million yen from the end of the previous fiscal year. The decrease is mainly attributable to factors that include a decrease in cash and deposits of 1,030 million yen, an increase in notes and accounts receivable - trade of 537 million yen, and a decrease in merchandise and finished goods of 528 million yen.

Liabilities were 10,967 million yen, a decrease of 2,187 million yen from the end of the previous fiscal year. The decrease is mainly attributable to factors that include a decrease in notes and accounts payable - trade of 694 million yen, a decrease in electronically recorded obligations - operating of 608 million yen, and a decrease in income taxes payable of 537 million yen.

Net assets were 34,074 million yen, an increase of 1,112 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 785 million yen, and an increase in valuation difference on available-for-sale securities of 126 million yen.

Consequently, equity amounted to 33,442 million yen and the equity ratio was 74.2%, up 4.0 percentage points from the end of the previous fiscal year.

## (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 December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,149	13,119
Notes and accounts receivable - trade	6,079	6,617
Merchandise and finished goods	5,956	5,427
Work in process	200	247
Raw materials and supplies	1,109	1,175
Other	692	566
Allowance for doubtful accounts	(33)	(0)
Total current assets	28,154	27,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,050	3,985
Machinery, equipment and vehicles, net	1,611	1,609
Tools, furniture and fixtures, net	136	157
Land	3,599	3,610
Leased assets, net	180	157
Construction in progress	76	65
Total property, plant and equipment	9,655	9,587
Intangible assets		
Other	1,358	1,233
Total intangible assets	1,358	1,233
Investments and other assets		
Investment securities	5,795	6,132
Long-term loans receivable	4	42
Retirement benefit asset	6	6
Deferred tax assets	557	286
Other	585	599
Total investments and other assets	6,947	7,067
Total non-current assets	17,962	17,887
Total assets	46,116	45,041

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,883	2,189
Electronically recorded obligations - operating	3,151	2,542
Short-term borrowings	497	450
Lease liabilities	62	68
Accounts payable - other	1,222	1,272
Accrued expenses	619	341
Income taxes payable	646	109
Accrued consumption taxes	209	188
Electronically recorded obligations - non-operating	20	211
Other	2,082	2,066
Total current liabilities	11,394	9,441
Non-current liabilities		
Lease liabilities	79	60
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	43
Retirement benefit liability	1,216	1,122
Other	15	26
Total non-current liabilities	1,760	1,526
Total liabilities	13,155	10,967
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,065	7,065
Capital surplus	7,047	7,047
Retained earnings	17,928	18,714
Treasury shares	(1,002)	(942)
Total shareholders' equity	31,038	31,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,974	2,101
Revaluation reserve for land	(537)	(537)
Foreign currency translation adjustment	(119)	(33)
Remeasurements of defined benefit plans	34	27
Total accumulated other comprehensive income	1,352	1,557
Non-controlling interests	570	631
Total net assets	32,961	34,074
Total liabilities and net assets	46,116	45,041



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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	35,664	35,061
Cost of sales	22,089	21,652
Gross profit	13,574	13,408
Selling, general and administrative expenses	11,311	11,458
Operating profit	2,263	1,949
Non-operating income		
Interest income	4	7
Dividend income	112	118
Purchase discounts	92	83
Share of profit of entities accounted for using equity method	3	—
Foreign exchange gains	4	43
Insurance claim income	1	224
Other	90	103
Total non-operating income	308	582
Non-operating expenses		
Interest expenses	3	9
Share of loss of entities accounted for using equity method	—	28
Depreciation of inactive non-current assets	4	2
Other	6	7
Total non-operating expenses	14	48
Ordinary profit	2,556	2,483
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	—	9
Total extraordinary income	0	9
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	9
Loss on valuation of investment securities	—	9
Loss on disaster	33	—
Total extraordinary losses	35	19
Profit before income taxes	2,521	2,473
Income taxes - current	637	403
Income taxes - deferred	148	250
Total income taxes	785	653
Profit	1,735	1,819
Profit attributable to non-controlling interests	69	110
Profit attributable to owners of parent	1,666	1,708

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,735	1,819
Other comprehensive income		
Valuation difference on available-for-sale securities	(48)	126
Foreign currency translation adjustment	120	119
Remeasurements of defined benefit plans, net of tax	(6)	(7)
Share of other comprehensive income of entities accounted for using equity method	3	3
Total other comprehensive income	69	242
Comprehensive income	1,805	2,061
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,680	1,914
Comprehensive income attributable to non-controlling interests	125	147

**(3) 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**

Nine months ended December 31, 2022 and nine months ended December 31, 2023

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