

**Year Ended March 31, 2024 (77<sup>th</sup> Term)**

# **Financial Results Briefing**

**May 8, 2024**



**S.T. Corporation**

**Yo Kozuki, President & CEO**

# Regarding the governmental order to take measures for preventing the false description of "MORILABO Series"



## ① Report on the Financial Results Summary

## ② Full-year Earnings Forecast

- **Decrease in net sales and profit**
- **The sales of CLOTH Care declined, and the sales of AIR Care fell below the forecast.**
- **Investment in R&D and pet care business**
- **Disposal of bad inventory**

# Highlights of the Business Performance in FY3/24

## <Consolidated>

### Decrease in net sales and profit

	Consolidated	Sales ratio	Vs. Forecast	YOY
Net sales	¥44.5 bn	-	95.9%	97.6%
Operating profit	¥1.3 bn	3.0%	54.8%	55.5%
Ordinary profit	¥1.9 bn	4.3%	68.9%	70.7%
Profit attributable to owners of parent	¥1.3 bn	2.9%	67.1%	69.7%
Comprehensive income attributable to owners of parent	¥1.6 bn			82.5%

**Dividend: ¥42** (¥40 in the previous fiscal year)

# Highlights of the Business Performance in FY3/24

## <Consolidated>

	FY3/24		
	Actual	Sales ratio	YOY
Net sales	¥44.5 bn	-	97.6%
Cost of sales	¥28.1 bn	63.1%	98.0%
Gross profit	¥16.4 bn	36.9%	96.8%
Selling, general and administrative expenses	¥15.1 bn	33.9%	103.7%
Operating profit	¥1.3 bn	3.0%	55.5%

# Highlights of the Business Performance in FY3/24

## <Sales in each Business Category>

Business category		Sales	Composition ratio	YOY
Air Care	(Air Fresheners and Deodorizers)	¥20.3 bn	45%	103%
Cloth Care	(Mothproofing Agents)	¥7.1 bn	16%	89%
Thermal Care	(Disposable Warmers)	¥4.2 bn	9%	90%
Hand Care	(Household Gloves)	¥5.7 bn	13%	97%
Humidity Care	(Dehumidifiers)	¥2.9 bn	7%	97%
Home Care	(Other)	¥4.3 bn	10%	101%
Total		¥44.5 bn	100%	98%

# Factors behind the Increase/Decrease in Operating Profit in FY3/24 <Consolidated>

## Operating profit decreased 1,070 million yen

### Factors behind increase

Increase owing to the raised selling prices

Reduction of manufacturing costs, etc.

Decreases in loss on abandonment of goods, loss on valuation of inventory, etc.

Decreases in marketing expenses

### Factors behind decrease

Rising material costs

Decrease due to lower sales quantities

Augmentation of SGA, excluding marketing expenses

Decrease due to selling price reduction

Sales deduction (such as rebates)

1,776

367

178

152

-1,567

-708

-686

-309

-276

Unit: Million yen

**To concentrate on existing core businesses to enhance profitability**

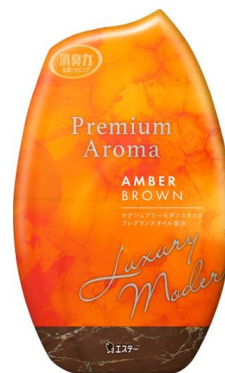
**Measures for coping with the skyrocketing of costs for raw materials**

**To continue initiatives in growing fields**

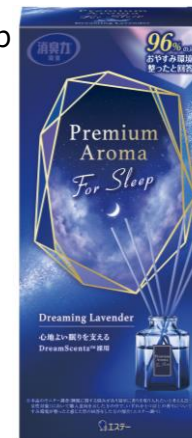
**To establish the base for surviving the ESG era**

The sales of mainly high value-added products increased year on year.

The sales of the Premium Aroma series grew by 128%, thanks to the contribution of new products, such as “For Sleep.”



SHOSHURIKI  
Premium Aroma For Sleep



SHOSHURIKI  
COMPACT FOR TOILET



## Drop in sales due to the decrease of the opportunities to buy products

Monthly shipment amount of mothproofing agents of S.T.

Shift of the period of peak demand

Effect of the lingering summer heat

Effects of air temperature



Regarding the year on year comparison of the market,  
DS: Intage SRI+ M  
Indicator: Estimated sales  
Category: mothproofing agents (excluding those for dolls)  
Spring season: Feb.-May 2023  
Fall season: Aug.-Nov. 2023

Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.

Spring wardrobe change season  
(Feb.-Jun.)  
91.1% year on year

Fall wardrobe change season  
(Aug.-Nov.)  
98.5% year on year

**Ratio of cost of sales rose, although selling prices were raised.**

## Cost of sales ratio

**62.8%**

**(FY3/23)**



**63.1%**

**(FY3/24)**

**Worsening of the product mix, skyrocketing of raw material prices, and exchange rate fluctuations**

## Increase/decrease in gross profit (in Japan)

**Disposable warmers**

**146%** year on year

**SHOSHURIKI SPRAY FOR TOILET**

**101%** year on year

**Kome-Touban**

**113%** year on year

**Dashu-Tan**

**94%** year on year

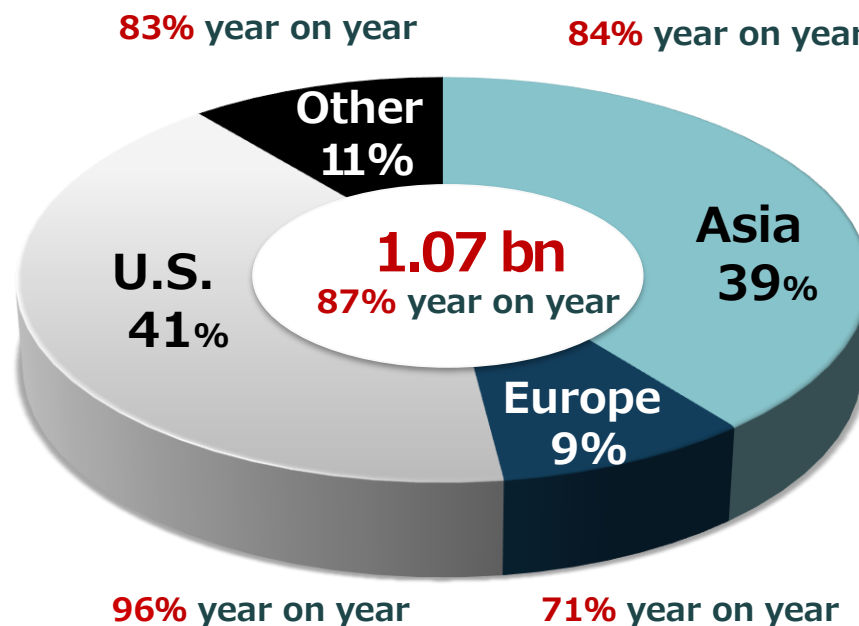
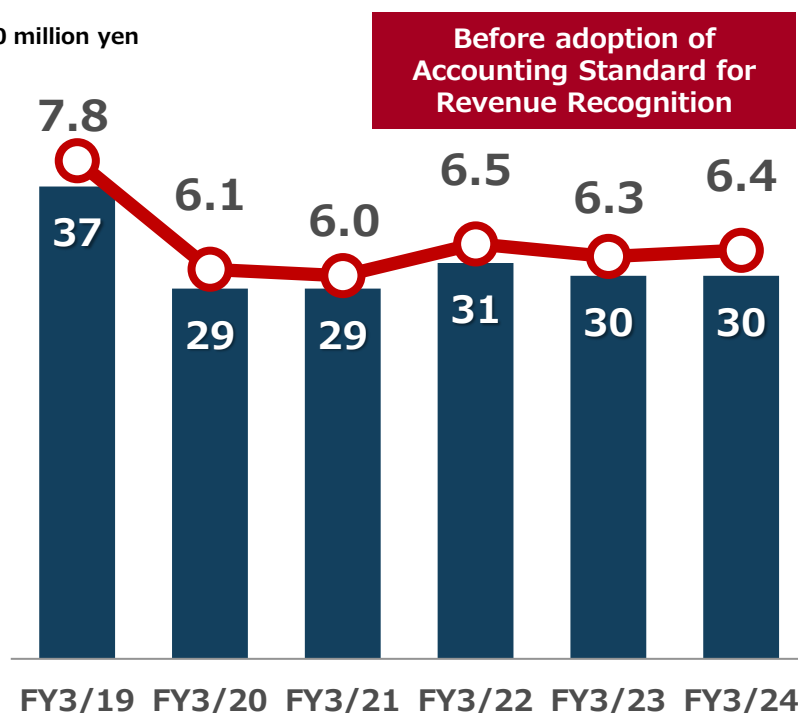


Despite the healthy performance of Premium Air Care products, overall performance declined year on year.

Variation in overseas sales (consolidated)

Composition of overseas sales (by region)

Unit: 100 million yen



■ Sales overseas    ● Ratio of sales overseas

## Growth of B 2 B business

**Sales grew 102% year on year.**

**Concentration on catalog-based mail order business (EC) targeted at enterprises**

**The ratio of sales of AIR Care products is growing.**



**Reduced about 20% by the end of Mar. 2024**

## No. of SKUs

**8 5 0**

**(End of Aug. 2023)**



**6 5 8**

**(End of Mar. 2024)**

**Including this, year-end inventory amount decreased by 10% year on year.**

**To invest in the growing “pet business”**

**To take over the “Nyantomo  
Clean Toilet” Business  
(in June 2024)**

① Report on the Financial  
Results Summary

② Full-year Earnings Forecast

**Concentration on growing businesses that contribute to overall performance**

**Recovery of the core business**

**Measures for coping with the skyrocketing of costs**

**To develop the foundation for surviving the ESG era**

## Release of “Nyantomomo Clean Toilet” in June



## Securing a stable customer base and revenues

Enhancement of Premium Aroma with high added value

Further development of the wellness domain  
(SHOSHURIKI Premium Aroma For Sleep)

Development of “SHOSHURIKI  
COMPACT FOR TOILET”

To release new products for young customers



## Increase of contact points with customers

To cope with the dispersion  
of the timing of seasonal  
change of wardrobe

To develop “MUSHUDA NOTE”

To utilize digital promotion



## Expansion of sales channels in each business

**B2B : Expansion of the air business**

**EC : To fit the characteristics of customers, especially in the pet care business**



**Overseas: Development of Premium Air Care products in Thailand**

**To continue cost reduction measures**

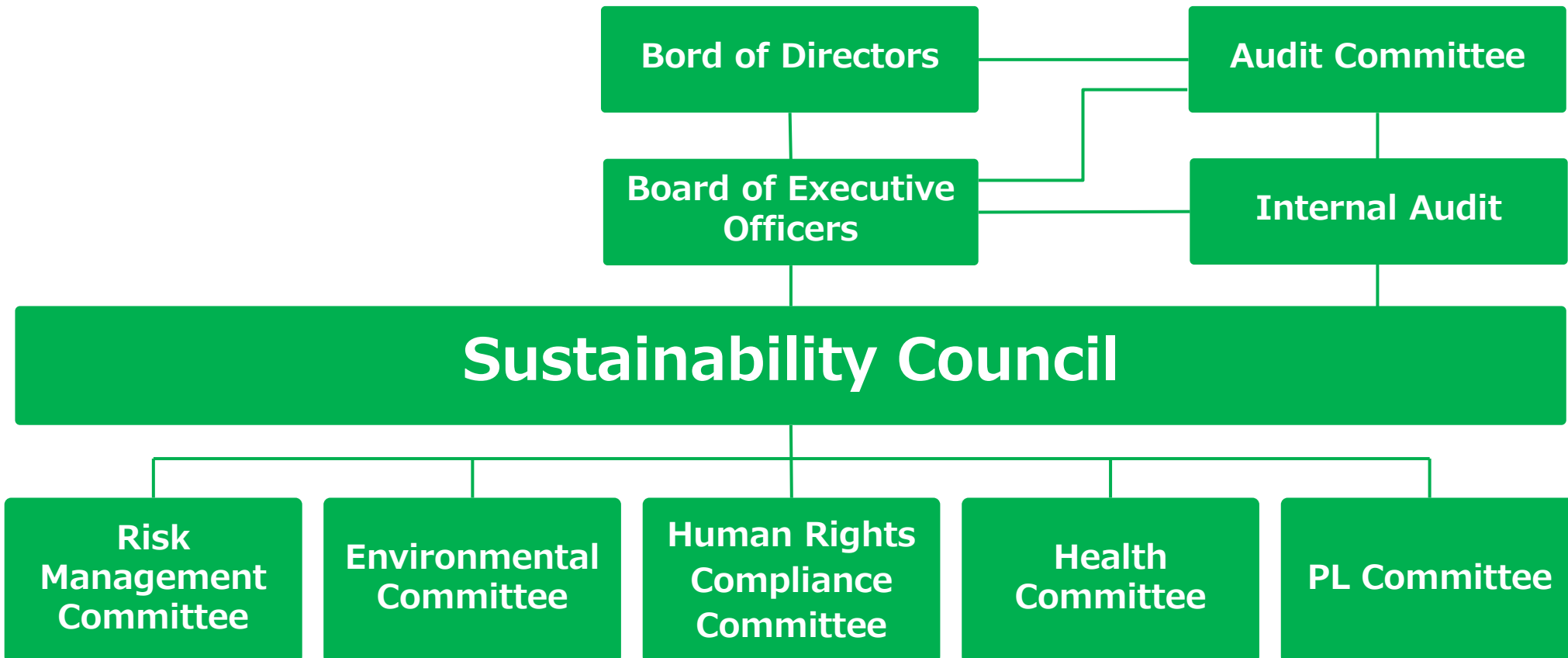
**SKU reduction × High added value strategy**

**To raise the prices of some products**

**Manufacturing cost reduction measures (modifying methods and specs)**



## To tighten our governance system for sustainability



## Rigorous customer-first policy

**Establishment of Total Quality Management Division department**

**Customer Relation Office is directly managed by the president**



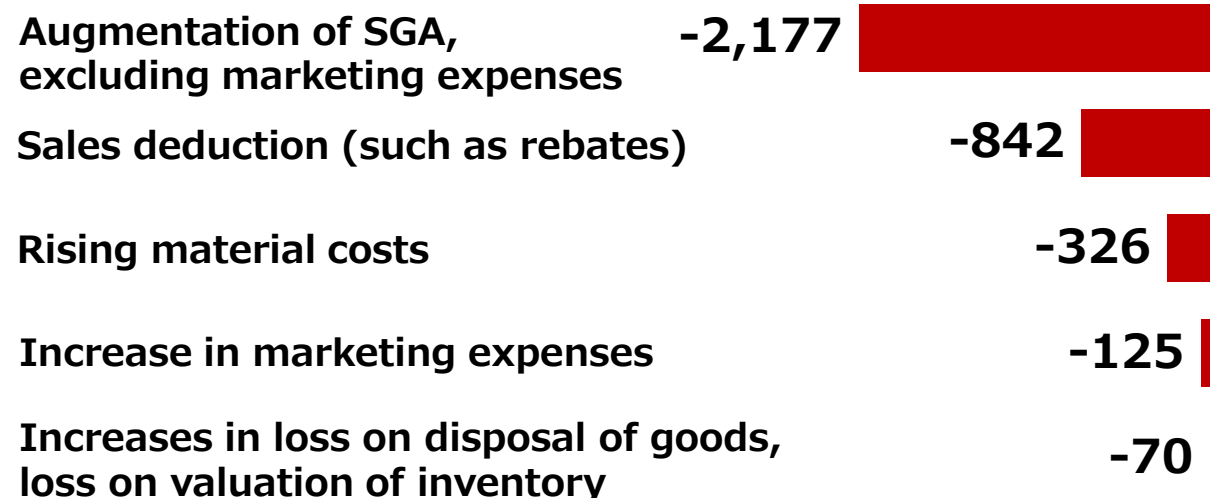
# Factors behind the Increase/Decrease in Operating Profit in FY 3/25 <Consolidated>

**Up 700 million yen thanks to the increase in sales quantity**

## Factors behind increase



## Factors behind decrease



Unit: Million yen

## Increase in net sales and profit

	Consolidated	YOY
Net sales	¥49.2 bn	110.6%
Operating profit	¥2.0 bn	149.1%
Ordinary profit	¥2.3 bn	119.2%
Profit attributable to owners of parent	¥1.4 bn	109.8%

\*The figures are rounded down.

**Estimated dividend: ¥44**

**\*Payout ratio: 70.0%**

## Disclosure of the medium-term management plan

**May 20 (Mon): To disclose its outline (our website and press release)**

**May 23 (Thu): Session for explaining its details (to analysts and the press)**

**To become a company that creates  
new value while conducting  
business administration involving  
all staff members**



**S.T. Corporation    <https://www.st-c.co.jp/>**

**[Notes on the business forecasts]** The items included in this material are based on a variety of premises, and do not assure or guarantee that the numerical forecasts and policies herein will be realized.