

Summary of the Financial Results Briefing for the FY Dec. 2024

Note: This "Briefing Summary" is a summary of the presentations and QAs at the results briefing. Forward-looking statements in this document are based on management's assumptions and beliefs in light of the information currently available to Pigeon group, and are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those contained in the forward-looking statements. English version and the Japanese version of the summaries, the Japanese-language version shall prevail.

[Date & Time] Friday, February 14, 2025 16:00 - 17:00 JST

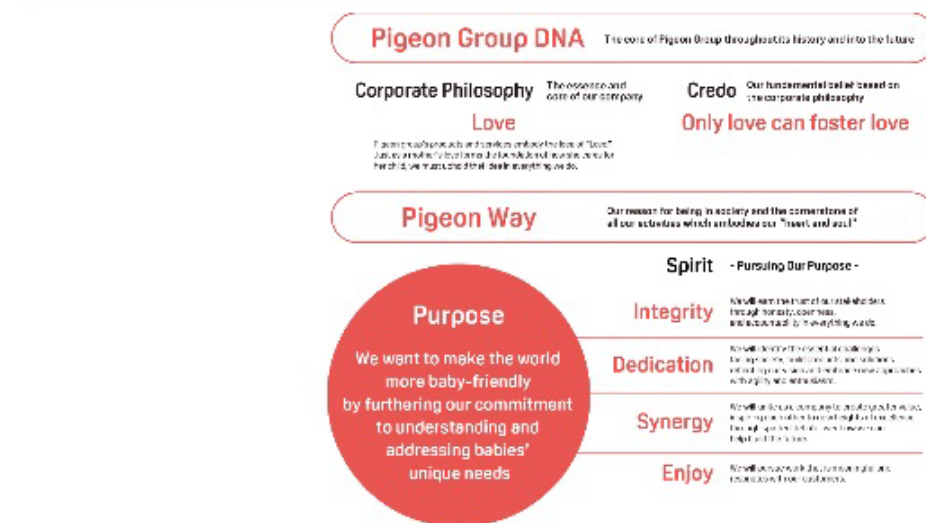
[Location] Venue and webcast

[Speakers] 5

Norimasa Kitazawa	President and CEO
Tadashi Itakura	Director, Senior Managing Executive Officer
Kevin Vyse-Peacock	Director, Executive Officer
Ryo Yano	Director, Executive Officer
Zenzo Yamaguchi	Senior Managing Officer

Update of Pigeon's Philosophy

We have established the "Pigeon Group DNA and Pigeon Way" as our philosophy, which each and every employee values. We will continue to promote our business with the aim of realizing our "purpose" and continuously increasing our corporate value.



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Kitazawa: Thank you for joining our financial results briefing today.

Firstly, we have updated our corporate philosophy to reflect our commitment to the "Purpose" of the Pigeon, and we have changed Pigeon DNA to Pigeon Group DNA to make it easier to understand as a philosophy shared by all Pigeon Group companies.

In addition, we have newly formulated "Spirit" as the basis for our mindset and actions, so that the content is more geared toward realizing our "Purpose". We will continue to advance our business and aim for sustainable growth as an indispensable presence in society, while keeping this our corporate philosophy in mind.

FY Dec. 2024 Results - Consolidated P&L (12 months)

- Achieved the full-year forecast for the first time in seven fiscal years.
- Achieved double-digit growth in both sales and profit YoY, favorable impact of FX rates.
- Despite a significant increase in SG&A expenses YoY due to thorough investment in growth in mainland China, the company was able to keep SG&A expenses within the plan and achieved the annual forecast for operating income.

Unit: Million JPY	Dec. 2023		Dec. 2024 Forecast		Dec. 2024			
	Actual	% of Total	Forecast	% of Total	Actual	% of Total	YoY Change	vs Forecast
Net Sales	94,461	100.0%	101,000	100.0%	104,171	100.0%	110.3%	103.1%
Cost of Sales	49,008	51.9%	50,200	49.7%	52,799	50.7%	107.7%	105.2%
Gross Profit	45,452	48.1%	50,800	50.3%	51,372	49.3%	113.0%	101.1%
SG&A Expenses	34,726	36.8%	39,400	39.0%	39,233	37.7%	113.0%	99.6%
Operating Income	10,726	11.4%	11,400	11.3%	12,139	11.7%	113.2%	106.5%
Ordinary Income	11,522	12.2%	11,400	11.3%	13,282	12.8%	115.3%	116.5%
Net Income Attributable to Owners of Parent	7,423	7.9%	7,600	7.5%	8,371	8.0%	112.8%	110.1%

[Currency Rates] 2024 Results: US\$1 = JPY 151.48 CNY1 = JPY 21.04
 2024 Forecast: US\$1 = JPY 135.00 CNY1 = JPY 19.50
 2023 Results: US\$1 = JPY 140.58 CNY1 = JPY 19.83

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Here are the group results of the full year of FY Dec. 2024.

Net sales ended at 104.1 billion yen, up +10.3% YoY. Operating income 12.1 billion yen, +13.0% YoY and achieved the forecast as well. The operating profit margin was better than the forecast with 11.7%.

FY Dec. 2024 Results - By Business Segment (12 months)

• Driven by Overseas business. Sales and income increased in China, Singapore and Lansinoh businesses, partly favorable impact of FX rates. Sales and income down in Japan business, but sales up in baby care.

Unit: Million JPY	Dec. 2023 Actual				Dec. 2024 Actual				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
Consolidated Net Sales	94,461	100.0%	48.1%	10,726	104,171	100.0%	110.3%	49.3%	12,139
Japan Business	36,865	39.0%	33.7%	2,006	36,500	35.0%	99.0%	32.8%	1,998
China Business	33,045	35.0%	53.8%	8,858	39,027	37.5%	118.1%	56.0%	10,066
Singapore Business	13,085	13.9%	37.9%	1,235	14,277	13.7%	109.1%	40.2%	1,668
Lansinoh Business	18,480	19.6%	54.9%	1,453	21,430	20.6%	116.0%	55.1%	1,731
Elimination of inter-segment transactions	(7,016)	(7.4%)	—	—	(7,064)	(6.8%)	—	—	—

▼[Reference] Breakdown of Japan Business

Unit: Million JPY	Dec. 2023 Actual				Dec. 2024 Actual				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
Baby Care	26,238	—	38.2%	2,278	26,760	—	102.0%	36.4%	1,989
Childcare Services	3,447	—	15.9%	208	3,364	—	97.6%	13.8%	122
Health & Elder Care	5,005	—	31.1%	464	4,400	—	87.9%	34.7%	405

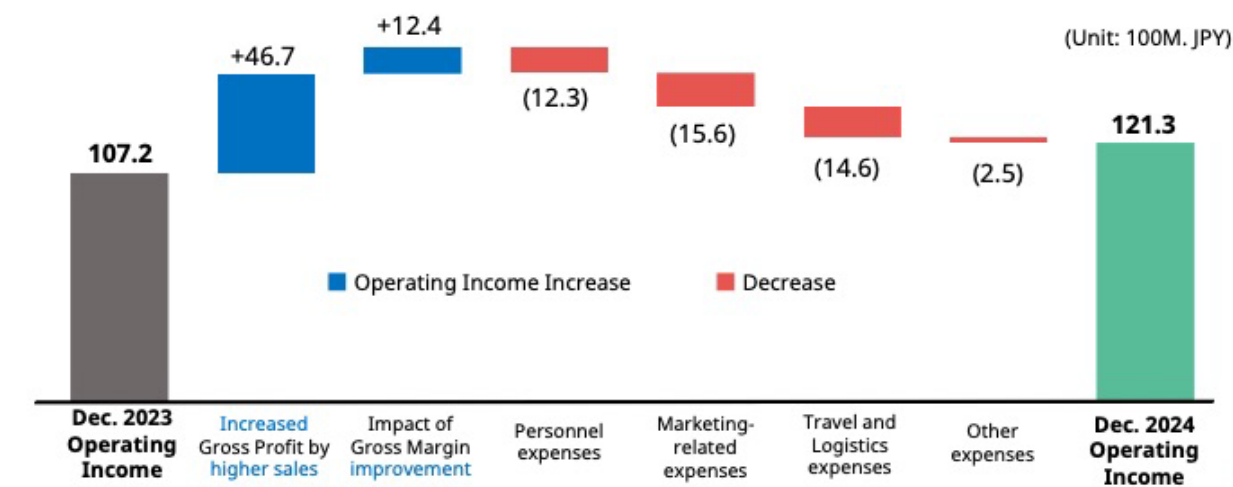
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Full-year results by business segment. Overseas business China, Singapore, and Lansinoh businesses ended the year with higher revenues and profits. Japan business ended the year with sales up -1% YoY, but this was largely due to the deconsolidation of Pigeon Manaka, which was included in the "Health & Elder Care" of the Japan business, resulting in a decline in sales of about 600 million yen YoY. On the other hand, sales of "Baby care" increased by +2.0% by strengthening our sales activities even despite the continuing trend of declining birthrates.

FY Dec. 2024 Results - Change in Operating Income (YoY)

- While gross profit increased due to higher revenues, marketing-related expenses increased significantly due to thorough investment in growth in mainland China.
- Operating income increased 1.41 billion yen YoY due to efficient use of SG&A expenses for the group as a whole.



Next is the factors behind the year-on-year increase or decrease in consolidated operating income.

The main factors behind the increase in consolidated operating income were a 4.6 billion yen increase in gross profit due to increased revenue, and a +1.2 billion yen increase in gross profit due to an improvement in the gross profit margin. Meanwhile, personnel expenses, distribution expenses, and marketing-related expenses increased by +1.2-1.5 billion yen YoY for each, but the Group as a whole used its SG&A expenses efficiently, and operating income for the full year increased by +1.4 billion yen YoY.

FY Dec. 2024 Results - Balance Sheet

• Inventories decreased from the end of the previous fiscal year by Company-wide efforts.
(the increase was due to the effect of foreign exchange rates)

Unit: Million JPY	End of Dec. 2023	End of Dec. 2024			
	Actual	Actual	YoY Change (Amount)	YoY Change (%)	YoY Change (Amount) w/o impacts of FX rates
Cash and Deposits	34,357	39,201	+4,843	114.1%	2,316
Notes and Accounts Receivable-Trade	14,412	18,392	+3,979	127.6%	2,826
Inventories	13,535	14,012	+476	103.5%	(499)
Notes and Accounts Payable-Trade	3,643	5,195	+1,552	142.6%	1,277
Electronically Recorded Obligations - Operating	1,365	369	(996)	27.0%	(996)
Borrowings	76	—	(76)	—	—
Net Assets	81,087	84,607	+3,520	104.3%	(630)
Total Assets	100,440	108,308	+7,868	107.8%	1,519
Equity Ratio	77.2%	74.9%	—	—	—

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B/S Highlights. Cash and deposits increased by 4.8 billion yen from the end of the past year, by 2.3 billion yen excluding the impact of FX rates. Inventories increased by 470 million yen, but this increase was also largely due to FX rates. it was decreased by about 500 million yen from the end of the previous fiscal year excluding the impact of FX rates,.

FY Dec. 2024 Results - Business Summary By Segment

*Sales: Sell-in on a local currency basis

Japan Business

Sales and income down due to exclusion of Pigeon Manaka from consolidation and soaring COGS due to yen depreciation, despite strong baby care sales

- Q4 YTD sales of baby care business increased 2.0% YoY. Sales growth was achieved by strengthening existing areas and nurturing new categories, despite a decline in the number of births.
- Q4 YTD sales of nursing bottles/nipples increased 1.3% YoY, maintaining dominant market share even after multiple price revisions in Yr 2023.
- Baby skincare was affected by ALPS treated water, and overseas demand, including exports and cross-border EC, remained weak throughout the year.
- The new category of baby care appliances contributed significantly to the growth of baby care, and sales of electric nail files, which were launched in August, were also strong.
- A limited edition of 300 units of "Bonyu-jikkan Bone China bottle" made in Japan, jointly developed with Narumi, a high-end Western tableware manufacturer, was launched in December.
- Q4 YTD Gross margin of Baby Care deteriorated by 1.8 pt YoY due to the impact of higher COGS reflecting the weaker Japanese yen throughout the year.
- Net sales of Health & Elder Care declined ¥600 Million YoY due to the deconsolidation of Pigeon Manaka Corporation which provides nursing care services (the impact on profit was minor).

New area: Babycare appliances Launched "Baby Electric Nail File" in August



Strengthening of Existing areas Capturing changes in lifestyles and in existing areas Diverse new products introduced throughout the year



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Here is a summary by business segment.

Although the sales and profits declined in Japan business, the sales of "Baby care" remained strong. Sales of nursing bottles/nipples increased by +1.3% YoY, maintaining an overwhelming market share even after the price revision implemented two years ago. As for baby skincare, while domestic demand remained strong, after the ALPS treated water in the second half of 2023, overseas demand almost disappeared and demand for the full year of 2024 was weak.

The most significant topic in our Japan business is that the sales composition of the "baby care appliances" has grown nearly 10% of total baby care sales. In Japan, the number of households in which both spouses work has risen to about 70%, and interest in baby care products that offer convenience, time-saving, and/or less-effort has been extremely high.

We are also actively developing new products with new value from various angles, such as the launch of a limited-quantity "Japanese bone china nursing bottle" jointly developed with NARUMI in December.

FY Dec. 2024 Results - Business Summary By Segment

*Sales: Sell-in on a local currency basis

China Business

Sales recovered due to successful brand exposure and thorough reinforcement of communication. Achieved double-digit increase in sales and profit from the previous fiscal year

- Q4 YTD sales of mainland China (CNY) ended at +11% YoY. Q4 alone: +89% YoY, steady recovery from the impact of last year's ALPS treated water issue.
- Q4 YTD sales of bottles/nipples increased by more than 20% YoY driven by new products such as natural weaning series and enhanced brand exposure.
- Q4 YTD sales of skincare grew by 7% YoY. Steady recovery from the sharp drop in sales due to the impact of ALPS treated water in the 2H of last year.
- "Double-Eleven shopping week" period: Significant growth YoY particularly at our core online channels, our T-mall flagship store became the first single store to achieve more than 100 million yuan in GMV.
- Q4 YTD sellout grew by 18% YoY with EC up 24% YoY and offline down 0.3%. Q4 YTD EC ratio is 77%.
- Market share of bottle/nipple recovered steadily from last year's sharp decline in market share due to the impact of ALPS treated water.
- Q4 YTD gross margin of the China business (JPY) improved by 2.2 pt YoY due to an increase in the sales composition of high-margin bottle/nipple products. Segment profit margin remained high at 25.8% despite a large increase in investment for growth.

Strengthening of Existing areas
Launched a number of new products
in core categories



New area: Age-Up products
Strengthening sales in both offline
and e-commerce



Double-Eleven Shopping Period
Pigeon's brand strength in the Chinese market
remains strong.



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Next is the China business.

In mainland China in 2024, we significantly increased our investment in growth in order to ensure a recovery in sales, which had fallen sharply at the end of 2023 due to the impact of the news reports about the discharge of ALPS-treated water. Our various initiatives to thoroughly strengthen brand exposure and communication, centered on nursing bottles, were successful, and we were able to recover sales to a level close to our initial forecast. In addition to YTD sales of nursing bottles increasing by more than +20% YoY, we were also able to achieve a +7% increase in sales of skincare products, which had been particularly affected by the discharge of ALPS-treated water.

Although detailed data on Double-Eleven shopping event has not been released, even amid intensifying market competition, the strength of our brand remained unchanged, and we achieved double-digit growth in sell-out, centered on EC.

In addition, the market share of nursing bottles/nipples, which fell sharply at the end of 2023, showed a stable recovery in 2024, returning to the level before the ALPS water issue.

FY Dec. 2024 Results - Business Summary By Segment

*Sales: Sell-in on a local currency basis

Singapore Business

The shift to wide-neck bottles in major countries is in full swing. Both sales and income increased due in part to the favorable FX rates

- Q4 YTD* sales in India +6% YoY, Malaysia +11%, Indonesia +3%, and Middle East +2%.
- Q4 YTD sellout increased YoY in Australia, Vietnam, and Thailand. Sell-outs in India and the Middle East were slightly below the previous year's level, but are on a recovery trend.
- Distribution inventories in major markets ended FY 2024 at appropriate levels.
- Promoted brand renewal of the "SoftTouch"™ series of bottles/nipples. In the Middle East, we succeeded in developing several new sales channels for the "SoftTouch"™ series, and sales of bottles/nipples grew in the 2H of the fiscal year, accelerating the shift to high value-added products through a shift to wide-neck bottles.
- Q4 YTD sales of Natural Botanical skincare products increased by more than 50% YoY. Continued to nurture as a regional strategic product.
- Q4 YTD gross margin (JPY) of Singapore business improved by 2.3 pt YoY due to sales growth of sales companies and the favorable impact of FX rates.

Strengthening core products: wide-neck nursing bottles Accelerate wide neck bottles with "SoftTouch"™ series



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Strengthening Core Products: Skincare Increased exposure and new series development of Natural Botanical skin care



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Next is the Singapore business.

In the major countries, over the past two years we have been working on the top priority issue of shifting from the cheap slim-neck nursing bottles to the more expensive wide-neck ones, and the results of this are finally starting to become visible. In the future, as the shift to wide-neck bottles progresses further in this business, we expect to see growth not only in sales, but also in profit.

In addition, in the skincare, YTD sales of the "Natural botanical series", which is centered on this business, grew by +50% YoY, and other initiatives to strengthen activities are also clearly showing results.

FY Dec. 2024 Results - Business Summary By Segment

*Sales: Sell-in on a local currency basis

Lansinoh Business

Sales growth of new breast pumps in North America contributed to full-year growth. Achieved double-digit year-on-year growth in sales and profit, partly due to the effect of yen depreciation

- Q4 YTD sales (US\$) of Lansinoh Group ended +7.6% YoY.
- Q4 YTD sales in North America increased 8% YoY. Sales of breast milk storage bags fell below the previous year's level due to the disappearance of special demand, but a new breast pump product (Discreet Duo) made a full-year contribution from January.
- In Europe, sales grew mainly in nipple cream, a core product, and postpartum and recovery care, a new area of business. Sales in mainland China were weak due to intensified competition in consumable products.
- Q4 YTD sales of Lansinoh Group's postpartum and recovery care products grew by more than 40% YoY in two straight years. Continued double-digit growth in major markets including North America and Europe.
- Started full-scale sales of nursing bottles/nipples in the European and U.S. markets. Achieved rapid sales growth in 2024, 1.7 times higher in 2 years.
- Continue to strengthen new categories. Expand product lineup to include nutrition for mothers in collaboration with other brands.
- Q4 YTD gross margin (JPY) of Lansinoh business improved by 0.2 pt YoY due to stable ocean freight rates (COGS factor) throughout the year.

Strengthening of Existing areas

Launched a number of new products in core categories



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New areas: development of new categories

Further expansion of the brand's product lineup



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Lansinoh business. This business has continued to perform well, and this year, breast pumps have been selling well. A new product called “Discreet Duo” the wearable breast pump, has contributed greatly to sales, and now the breast pump category has come to account for 23% of the total sales of Lansinoh business (18% in 2023).

In addition, sales of maternity and postnatal care products, which had been growing rapidly every year since their launch in 2021, grew by more than +40% YoY in 2024. Sales in North America, Europe and other regions have also continued to grow by double digits.

In addition, we have also been launching a succession of new categories, such as organic teas for expectant mothers.

Also, with regard to the deterioration in the gross profit margin caused by the rising ocean freight costs, the gross profit margin was able to improve slightly YoY, partly due to the fact that ocean freight costs remained stable throughout the year in 2024.

FY Dec. 2024 Results - ESG and Sustainability

Sustainability

Actively promote initiatives for co-creating value with society and aim to realize our Purpose

- Pigeon Group Human Rights Policy established (May).
- Expansion of the "Nihonbashi Breast Milk Bank" on the first floor of the head office was completed (May).
- Selected by the GPIF for all six ESG index components.
(Newly selected as a component of the MSCI Japan ESG Select Leaders Index in June) .
- The Pigeon Group's 2025 Scope 1&2 GHG emissions (compared to FY2018) reduction target of 35% was brought forward and a further 60% reduction was achieved.
- Pigeon submitted a letter of commitment to the SBT Initiative to obtain certification regarding the near-term targets of Science Based Targets, the GHG reduction targets set by the Paris Agreement. (Dec.).
- Received "AA" rating in the MSCI ESG ratings for the second consecutive year (February 2025).



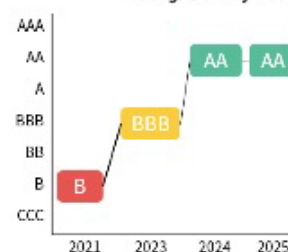
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Nihonbashi Mother's Milk Bank was expanded to about twice*



*In the facility area of the treatment room for pasteurization of breast milk

Ratings trend by MSCI



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In the area of ESG and sustainability, we formulated the Pigeon Group's human rights policy, completed the expansion of the Nihonbashi Breast Milk Bank, and were selected for all six ESG indices adopted by the GPIF, and we promoted various initiatives to realize our "Purpose".

FY Dec. 2025 Earnings Forecast - Consolidated P&L

As the final year of the 8th Mid-Term Management Plan period, we will maximize the results of our efforts in each business segment, aim to increase sales and profits as well as improve profit margins.

Unit: Million JPY	Dec. 2024		Dec. 2025		
	Actual	% of Total	Forecast	% of Total	YoY Change
Net Sales	104,171	100.0%	109,700	100.0%	105.3%
Cost of Sales	52,799	50.7%	55,400	50.5%	104.9%
Gross Profit	51,372	49.3%	54,300	49.5%	105.7%
SG&A Expenses	39,233	37.7%	41,400	37.7%	105.5%
Operating income	12,139	11.7%	12,900	11.8%	106.3%
Ordinary income	13,282	12.8%	12,900	11.8%	97.1%
Net Income Attributable to Owners of Parent	8,371	8.0%	8,400	7.7%	100.3%

* Subsidy income not included

[Currency Rates]

2025 Forecast: US\$1 = JPY 147.00

CNY 1 = JPY 21.00

2024 Results: US\$1 = JPY 151.48

CNY 1 = JPY 21.04

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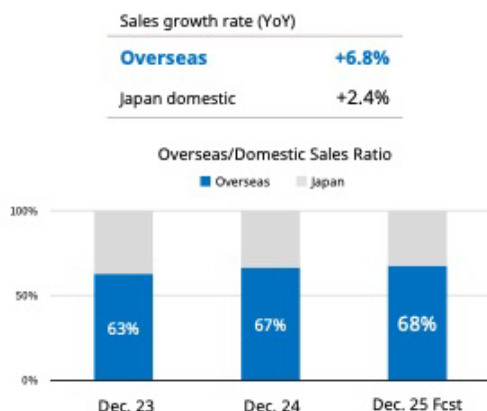
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This is the forecast for the group's performance for FY Dec. 2025. We are planning for sales to be +5.3% growth YoY, and operating profit to be +6.3%. We are also aiming to improve the operating profit margin by +0.1 points YoY, to 11.8%.

FY Dec. 2025 Earnings Forecast - Consolidated P&L

(1) Overseas business as a Growth driver

Overseas business will continue to drive the Group's business growth. Japan domestic, a mature market, we aim to achieve stable growth and strengthen profitability.



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(2) 10 billion yen sales target for "New areas"

"Development of new business areas," a key theme of the 8th MTP is making steady progress toward the initial sales target of 10 billion yen for FY 2025.



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The growth rate of sales for the group in FY Dec. 2025 will be +5% YoY, but we aim to achieve +6.8% growth in the overseas business. Our growth driver will be overseas business.

In addition, 2025 is the final year of the 8th medium-term management plan. At the start of the plan, we set "Explore and Cultivate New Areas" as one of the key themes, and we have been working towards the goal of achieving 10 billion yen in sales from new business areas by the final year of the plan in 2025. We are making progress in developing new business areas as planned, and we will continue to work towards achieving 10 billion yen in sales from new business areas by 2025.

FY Dec. 2025 Earnings Forecast - by Business Segment

Unit: Million JPY	Dec. 2024 Actual				Dec. 2025 Forecast				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net sales	% of Total	YoY Change	Gross Margin	Segment Profit
Consolidated Net Sales	104,171	100.0%	49.3%	12,139	109,700	100.0%	105.3%	49.6%	12,900
Japan Business	36,500	35.0%	32.8%	1,998	36,900	33.6%	101.1%	34.6%	2,009
China Business	39,027	37.5%	56.0%	10,066	42,500	38.7%	108.9%	56.7%	11,000
Singapore Business	14,277	13.7%	40.2%	1,668	15,100	13.8%	105.8%	39.7%	1,700
Lansinoh Business	21,430	20.6%	55.1%	1,731	23,600	21.5%	110.1%	55.5%	1,910
Elimination of inter-segment transactions	▲ 7,064	▲ 6.8%	—	—	▲ 8,400	▲ 7.7%	—	—	—

▼[Reference] Breakdown of Japan Business

Unit: Million JPY	Dec. 2024 Actual				Dec. 2025 Forecast				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
Baby Care	26,760	—	36.4%	1,989	27,700	—	103.5%	37.6%	2,100
Childcare Services	3,364	—	13.8%	122	3,300	—	98.1%	15.9%	170
Health & Elder Care	4,400	—	34.7%	405	4,450	—	101.1%	35.8%	380

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Here is the business outlook by business segment. .

In Japan, we expect sales to increase slightly, with growth centered on overseas business. In Japan, we aim to achieve sales of +3.5% YoY for baby care, driven by baby care appliances and baby food, which we have been strengthening in recent years.

Nevertheless, the reason why total sales increase of Japan business will be only by +1.1% YoY is since Pigeon Manaka, which was included in the Health & Elder care was transferred in April last year, and the sales for the Q1 of Pigeon Manaka (approximately 200 million yen) are still included in last year's results.

Key Initiatives - Japan Business

Improve profitability through new value creation by leveraging the company's strengths and uniqueness

Business Environment:

- The number of births in 2024 fell below 700,000 for the first time*, and the number of births is expected to decline in 2025 as well.
- With more than 70% of households headed by a married couple*, the increase in disposable income per household, changes in lifestyles and childcare needs present new market opportunities for Pigeon.

Existing areas:

- Improve competitiveness through continuous introduction of attractive new products (bottle and nipple, skincare, baby food, and other consumables, etc.).
- Review product portfolio and pricing strategy to enhance profitability.

New areas, Monozukuri:

- Started full-scale sales of Age-Up products (launched in February 2025: Petit Kids Hair Care Series for children as young as 2 years old).
- Set up a new team in baby care to expand the Lansinoh brand in Japan and to create new growth opportunities through new business creation.

Strengthen sales and communication

- Invest in growth in the EC channel (e.g., EC-exclusive products, official online store, enhanced delivery services, etc.).
- Strengthen customer communication and sales force both digitally and offline.



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*Source: Pigeon

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This is about future initiatives by business.

In Japan, the number of births in 2024 was below 700,000, and we expect this figure to fall further in 2025. However, even as the number of births declines, we aim to maintain and slightly increase our performance in Japan by increasing disposable income per household and creating new childcare needs.

In existing areas, we will continue to introduce new products in our mainstay products in the Japanese market, including nursing bottles/nipples, skincare, baby food, and consumables. We will also be reviewing our product portfolio and pricing to strengthen profitability.

In addition, we will be launching our age-up products in Japan on a full scale. The latest product to be launched was the "Petit Kids Hair Care series", which can be used from the age of 2, in February. Furthermore, we will also be actively promoting the Lansinoh brand in Japan.

In addition, although the EC ratio is not particularly high in the Japan market at present, it is clear that will expand in the future if we look at the global market, so we will also be further strengthening our EC channels in Japan.

Key Initiatives - China Business

Aim for stable growth in both sales and profits by continuing to invest thoroughly in our core products of bottles/nipples, and skincare

Business Environment:

- Mainland China had 9.54 million births in 2024* (+6% YoY); expected to decline again in 2025.

Existing areas:

- Strengthened branding and value of product to further enhance its position as the top brand in bottle/nipple products, with the aim of acquiring a 50% market share.
- Baby skincare: "Selection and Concentration" by renewing the Basic Series and reorganizing the product lineup.
- Review product portfolio and pricing strategy to enhance profitability.



New areas, Monozukuri:

- Expand LTV through further sales expansion of the Natural Weaning Series (for older babies).
- Cultivation of star products in Age-Up products (kids skincare, drinking cups, etc.).
- Increase brand freshness by introducing more than 50 SKUs of new products per year.



Strengthen sales and communication

- Continue to strengthen brand exposure and communication through main EC channels, Tiktok and Redbook.



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*Source: Pigeon

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China Business.

It is unclear whether the Year of the Dragon had any effect on the number of births in mainland China last year, but it appears that the number increased by around 6% YoY. However, we believe that the number of births this year will decrease again. In this market environment, we will continue to aim for business growth, with the achievement of 50% market share for nursing bottles/nipples as one of our milestones.

In addition, we are planning to renew our basic series of skincare, which is our main baby skincare series, and our kids' skincare range this year, and we will work to renew the image of our skincare products, which have been struggling since the news of the ALPS water.

Key Initiatives - Singapore Business

Expanding the scale of business centered on core products such as bottles/nipples, and skincare products will be a top priority

Business Environment:

- The market opportunity is the largest in terms of the number of births it holds. The most important markets are India (about 23 million births per year) and Indonesia (about 4.5 million births per year).
- Expected Double-digit YoY growth in external sales in all major countries for FY Dec. 25.

Existing areas:

- Aim for growth in sales volume and value of bottles/nipples through concentrated investment in the SoftTouch™ series of wide-neck models.
- In skincare, strengthen the Natural Botanical series. Investing in growth to implement various measures to acquire new customers.



New areas, Monozukuri:

- Further expansion of competitive and regionally limited products, especially bottles/nipples, skin care, etc.
- Strengthen the oral care category, for which sales are growing in Malaysia and other countries, across the entire Singapore business, and achieve growth in the "baby oral care" market.
- Cultivate new markets (e.g., Kenya).

Strengthen organizational and operational capabilities

- Strengthen Monozukuri in the region targeting the upper middle to premium class.



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In Singapore business, we will continue to promote the shift from slim-neck nursing bottles to wide-neck ones. As we saw some results in 2024, we believe that we can further speed up the shift to wide-neck bottles by investing in growth in bottles and nipples in 2025.

In addition to continuing to strengthen the Natural & Botanical series, which performed well last year, we will also focus on oral care products such as baby toothbrushes. This is because our sales of baby oral care products at dental clinics, which we started on a trial basis in Malaysia market, and our joint activities with experts to raise awareness of oral care for babies have been very successful, and we will expand these activities to the entire market covered by this business.

Key Initiatives - Lansinoh Business

Aiming for strong growth through full-scale development of "breast pumps" in the existing area and "nursing bottles and nipples" in the new area

Business Environment Awareness:

- (North America) Rise of inexpensive Chinese brands, especially in EC. Market competition intensifies further, but top market share for our mainstay products is maintained.
- (Europe) Market conditions in each country are not optimistic, but there is significant room for growth in both existing and new areas.
- The impact of future policy trends in the U.S. on our business is very uncertain.



Existing areas:

- Stable growth in the mainstay breastfeeding care category through new product launches and strengthened branding, establishing its position as a top brand.
- In addition to sales growth of Discreet Duo breast pumps, we will significantly strengthen the product lineup of breast pumps to meet a wide range of consumer needs.



New areas, manufacturing:

- Expanding investment for growth to capture the nursing bottles/nipples market in Europe and the United States. Aim to become the third largest bottle/nipple brand in the North American market by 2030 by maximizing the use of Pigeon's assets.
- Explore opportunities to collaborate with external strategic partners such as HotTea Mama and Kindred Bravely to develop new areas.



Strengthen sales and communication

- Review business model for renewed growth in the Chinese market.

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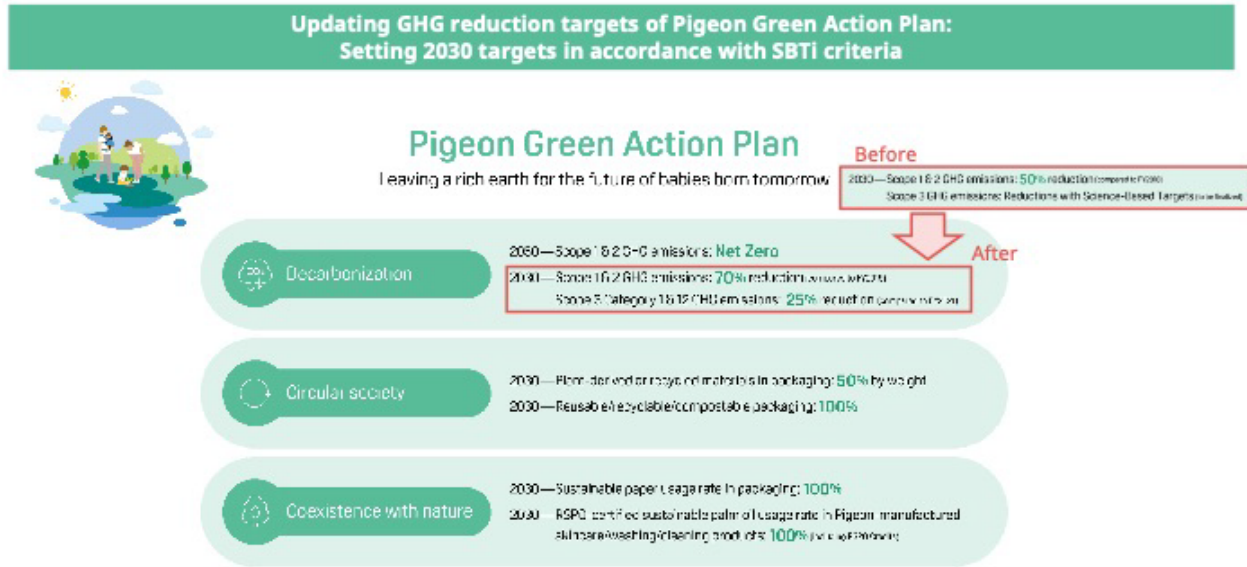
Lansinoh business.

In addition to continuing to expand sales of the Discreet Duo wearable breast pump, which we have been doing since 2024, we plan to launch a succession of new products in our existing breastfeeding care category and in new categories.

In addition, from 2025, we will focus on the full-scale sale of nursing bottles/nipples in the Lansinoh business. The focus will be on the North American market, and Lansinoh aims to become the third largest bottle/nipple brand in North America by 2030.

In addition, in terms of regions, Lansinoh has been struggling to sell in the Chinese market for many years, so in 2025 we plan to review our business model in order to achieve renewed growth.

Key Initiatives - ESG and Sustainability



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In the area of sustainability, we will continue to strengthen our efforts by moving forward with the GHG emissions targets set forth in the Pigeon Green Action Plan.

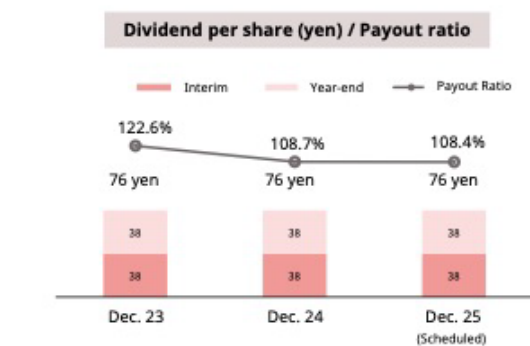
Shareholder Returns and Investment

Shareholder Return:

- Dividend policy for the 8th medium-term management plan period: Emphasis on stable and continuous dividend payments while maintaining the current level of dividends and further improving consolidated performance and financial condition.
- Annual dividend per share for the FY Dec. 24 is 76 yen. The Group's consolidated dividend payout ratio is 108.7%.
- Scheduled 76 yen per share of Annual dividend for FY Dec. 25, same amount as in FY 2024.

Cash allocation priorities:

- Investments in business growth ((1) investments related to growth in existing areas, (2) investments in growth in new areas (including M&A)) are considered a top priority.
- Consider returning profits to stakeholders by comprehensively taking into account the balance between business growth and finances, cash flow, stock price, and other factors



Investment-related indicators (Group consolidated)

	Dec. 23 Actual	Dec. 24 Actual	Dec. 25 Forecast
Capex (*1)	6,320	3,760	4,600
Depreciation (*2)	5,080	4,876	4,500
R&D Expenses (*3)	4,210	4,286	4,700

*1 : Property, plant and equipment and intangible assets (including long-term prepaid expense)

*2 : Depreciation (including amortization of goodwill)

*3 : Monozukuri expense

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Shareholder returns and investments.

Regarding the year-end dividend for 2024, in accordance with our shareholder return policy for the 8th Mid-term Business Plan, we will pay a dividend of 38 yen per share, the same amount as the interim dividend, for an annual dividend of 76 yen per share. Although our dividend payout ratio is still over 100%, our aim is to reduce this ratio by increasing our earnings.

In terms of the priority of cash allocation, we will first consider investment in business growth as our top priority, and then consider returning profits to our stakeholders, considering the balance between business growth and finance, cash flow and stock price conditions.

Questions and Answers

*Questions and answers are listed by the business segment.

Group Consolidated

Q. Tell us an overview of the FY 2025 business forecast by business segment.

A. The plan for the **Japan business** is based on the assumption that the number of births in 2025 will be low 600Ks. The growth drivers for baby care in 2025 will be new products in the core categories of skincare, baby food, and baby care appliances (baby healthcare). In particular, we will be actively considering new products for children up to around the age of 5, with a focus on skincare and baby food, and we will also be expanding sales of Lansinoh products in Japan market. Even as the number of births in Japan declines, we will aim for sustainable growth by expanding the customer base we target.

In China business, we were able to achieve a recovery in sales and profit in 2024 that was largely in line with our expectations, so in 2025 we will be making investments to achieve growth once again. In China, we launch a large number of new products every year, including new challenges, but in particular, in 2025 we have a number of new products lined up that will surely contribute to growth, including a major renewal of our basic skincare series and kids skincare, and the addition of new products to our nursing bottle lineup. We hope to achieve our forecast firmly, with these new and renewed products at their core.

In the Singapore business, we will continue to aim for growth centered on nursing bottles/nipples and skincare. The distribution inventory problem has been resolved, and the activities we have been working on for the past few years to add more value to our bottles (shifting to wide-neck models) are starting to show results, including in our main market of the Middle East. In 2025, we will further accelerate these activities by strengthening the rebranding activities that are currently underway. In addition, we will continue to strengthen sales activities for the skincare, natural botanical series, which we are currently focusing on, and develop this as a category second following by nursing bottles.

In the Lansinoh business, in addition to strengthening our existing area of “breastfeeding-related products”, we will actively expand our business in new areas in all areas where we operate. In 2025, we will expand sales of the Discreet Duo breast pump, which we are currently selling in North America, to areas such as Europe, and we will also focus on bottles and nipples. In addition, we will further expand its product portfolio in new areas such as prenatal and postnatal care and nutrition for maternity, and work to build a foundation for sustainable growth.

Q. What kind of impact do you expect future political trends in the US to our business?

A. We recognize that future political trends in the US could be a risk or an opportunity for our group, but because the future is very uncertain at the moment, we have not factored in the impact of US political trends in our 2025 earnings forecasts for each business. Our group has a strong global network for production and sales, and we believe we can respond flexibly as needed. Regardless of how the external environment changes, we believe that the best thing we can do is to develop as many great products as possible and work to ensure that they reach the customers around the world who need them.

China Business

Q. What was the YoY sell-in and sell-out growth in mainland China in the Q4 alone (October-December)?

A. Sell-in in Q4 alone was up +88.6% YoY. Sell-out was up +42.6% YoY. In the breakdown of sell-out, EC was up +44.1%, and offline was up +33.8%.

Q. Offline sell-out finished at the same level as the past year, do you think they have hit the bottom?

A. Offline sales fell significantly at the end of 2023 due to the impact of ALPS water issue, but in 2024 they recovered, so it could be said that the decline has stopped. In terms of initiatives for 2024, we believe that expanding offline-only products contributed to the end of the decline, and we plan to continue adding offline-only products in 2025 as well. Although the online ratio has recently increased to around 77%, we would like to maintain the offline ratio at a slightly higher level.

Q. What was your market share of bottles/nipples at the end of 2024?

A. The estimated market share of nursing bottles/nipples at the end of 2024 was about 43%, recovering steadily throughout the year after a sharp drop in market share due to the ALPS treated water issue at the end of 2023.

Q. Tell us the cost of growth investment in 2025 business forecast.

A. We plan to continue investing in growth in 2025 in order to achieve a 50% market share for bottles and nipples. As in 2024, big portion of the expenses will be for marketing and branding activities, such as brand exposure, product value promotion, and new product appeal. Regarding

how to use the expenses, we have been able to examine the activities we have been working on in 2024, and we believe that we will be able to invest the expenses more efficiently in 2025 than in the previous year. Through these efforts, we plan to improve the operating profit margin of our China business by 0.1 percentage points year-on-year in 2025.

Japan Business

Q. Tell us what factors contributed to the strong performance in the Q4 alone.

A. In the baby care business, sales were particularly strong at baby specialty stores such as Akachan Honpo and Nishimatsu-ya, as well as online retailers such as Amazon. Sales of baby care appliances such as electric nasal aspirators also contributed to growth.

Singapore Business

Q. Tell us about the status of EC channel initiatives in major countries.

A. Although offline sales are still the main sales channel in the major countries of the Singapore business, the sales ratio through EC channels is increasing in Southeast Asian countries, and in Singapore in particular, the most recent EC ratio has grown significantly to 21%. In Southeast Asia, in addition to Lazada, which is the largest company in the region, there are EC platforms in each country, and the EC market is quite heated. In this environment, we are not only tapping EC channels, but are also actively engaged in digital marketing using social media such as TikTok, and we are accumulating know-how in each country from brand recognition on social media to attracting customers to EC channels and sharing it within the business to strengthen EC channels.

In India, the “Quick Commerce Market” is expanding in addition to EC, and our sales through the Quick Commerce channel are also rapidly increasing, so we plan to focus on this even more in the future.

Lansinoh Business

Q. Tell us what factors contributed to the strong performance in the Q4 alone.

A. In the latter of the Q3, we had an expansion in the distribution of existing products and launch of several new products in North America and Europe, and these contributed to sales growth in the Q4.

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