

**Summary of the Financial Results Briefing for the First Half, FY Dec. 2025**

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.

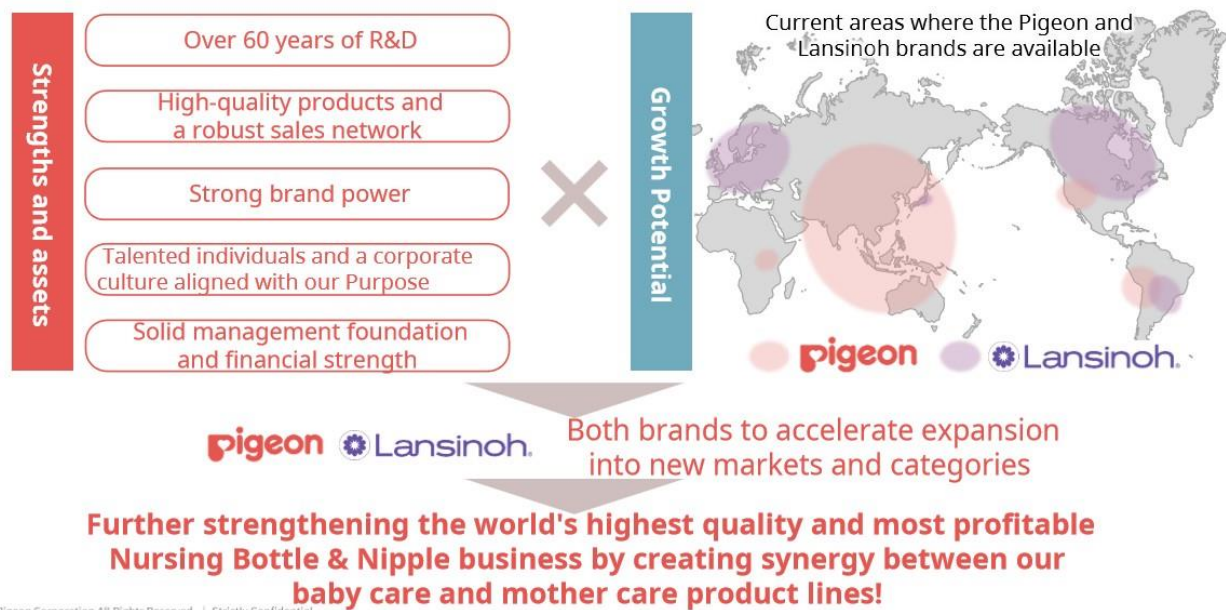
**[Date & Time]**      Thursday, August 7, 2025      16:00 - 17:00 JST

**[Location]**      Venue and webcast

**[Speakers]**      5

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

## To Achieve a Dominant Global Share in Nursing Bottles and Nipples



**Yano:** Thank you for joining our financial results briefing today despite your busy schedules. Before discussing the first half results, I would like to provide an overview of our next Mid-Term Management Plan. This year marks the final year of the 8th Mid-Term Management Plan. We are currently formulating strategies for the coming years to establish new medium-to-long-term goals, and this overview reflects that process.

Going forward, we will focus on achieving our medium- to long-term goal of becoming the undisputed global leader in the nursing bottles and nipples market. Our strengths, as shown in the top three items on the left, are our long history of research and development, high-quality products, strong sales network, and strong brand power, which have been cultivated over nearly 70 years of history. On the other hand, looking at the growth potential on the right side, the red areas represent the Pigeon brand for baby care products, and the purple areas represent the Lansinoh brand for mother care products. Unfortunately, baby care products are sold in Asia and mother care products are sold in Europe and North America, and we are not fully leveraging the synergy between the two brands.

Therefore, we intend to leverage our strengths and assets to thoroughly capture the white space and steer the company toward becoming the undisputed global leader in the global market share for nursing bottles and nipples, which are products with extremely high profit margins and customer appreciation. To achieve this goal, we will continue to grow by effectively utilizing human resources and a corporate culture that resonate with our Purpose, as well as our solid management foundation and capital strength.

Through the synergy between our baby care and mother care product lines, we will further strengthen the world's highest quality and most profitable nursing bottles and nipples business.

## FY2025 Q2 - Business Highlights (1)

### Japan: New drinking bottles launch strong!

In specialty stores that launched the product early,

**#1**\* market share achieved



Nationwide release in August

\*Pigeon Research

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

### China: The 618 Shopping Festival saw double-digit growth in both UV and GMV!

618 Brand Ranking

**#1**\* in multiple platforms

**JD** (Babycare Products, Nursing Bottles, Baby Skincare)

**Tmall** (Baby Products, Nursing Bottles, Nipples)

**TikTok** (Nursing Bottles)

**UV +11%**

**GMV +17%**



\*Edited by Pigeon based on rankings published by various companies.

5

Now, I would like to explain the first half financial results. First, highlights of the first half results.

In the Japan business, new drinking bottles “magmam,” which was launched in May, got off to a strong start, capturing the top share in specialty stores. It will be launched nationwide in August.

In the China business, Pigeon once again ranked No.1 in the brand rankings on major e-commerce platforms during the big Chinese e-commerce event, “618”. Although we had to invest heavily in advertising, we were able to increase GMV (Gross Merchandise Volume) by 17% compared to the previous period, while UV (Unique Visitors) increased by 11%. From a cost efficiency perspective, we believe it was particularly positive that we were able to attract more customers than last year and achieve sales that exceeded last year's results.

## FY2025 Q2 - Business Highlights (2)

**Singapore: Sales mix showed a steady shift towards wide-neck bottles!**



©Pigeon Corporation All rights reserved. | Strictly Confidential

**Lansinoh: Strong performance in nursing bottles/nipples, primarily in the U.S.!**



6

In the Singapore business, we have been continuing to shift from low-priced slim-neck bottles to high-value-added wide-neck bottles. In the first half of the fiscal year, wide-neck bottles accounted for over 60% of total nursing bottle sales in our Singapore business.

In India, we launched the "SoftLatch® 2.0" wide-neck bottle, the first bottle manufactured in-house at our Indian factory, priced to appeal to Indian customers.

Regarding the Lansinoh business, while Lansinoh is a mother care brand, sales of its nursing bottles and nipples have actually grown rapidly in recent years. In the first half, these sales increased significantly, growing over 40% YoY. This demonstrates that, as I explained at the beginning, expanding and growing the Lansinoh brand's nursing bottles and nipples is feasible as part of our strategy to develop baby care products in Europe and North America going forward.

## FY2025 Q2 Results - Consolidated P&L (YTD 6 months)

Sales increased +4.7% YoY across all businesses, led by growth in the China business. SG&A Expenses increased due to aggressive growth investments in mainland China, among other factors, while operating income grew by a double-digit percentage YoY due to increased gross profit and other factors.

Unit: Million JPY	Q2 / Dec. 2024 YTD		Q2 / Dec. 2025 YTD		
	Actual	% of Total	Actual	% of Total	YoY Change
<b>Net Sales</b>	51,313	100.0%	<b>53,734</b>	<b>100.0%</b>	<b>104.7%</b>
<b>Cost of Sales</b>	26,291	51.2%	<b>26,500</b>	<b>49.3%</b>	<b>100.8%</b>
<b>Gross Profit</b>	25,021	48.8%	<b>27,234</b>	<b>50.7%</b>	<b>108.8%</b>
<b>SG&amp;A Expenses</b>	19,198	37.4%	<b>20,549</b>	<b>38.2%</b>	<b>107.0%</b>
<b>Operating Income</b>	5,822	11.3%	<b>6,684</b>	<b>12.4%</b>	<b>114.8%</b>
<b>Ordinary Income</b>	6,431	12.5%	<b>6,875</b>	<b>12.8%</b>	<b>106.9%</b>
<b>Net Income Attributable to Owners of Parent</b>	3,574	7.0%	<b>4,624</b>	<b>8.6%</b>	<b>129.4%</b>

[Currency Rates] 2025 Q2 Results: US\$1 = JPY 148.50 CNY 1 = JPY 20.47  
2024 Q2 Results: US\$1 = JPY 152.14 CNY 1 = JPY 21.08

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

7

Here are the group results for the first half of the year.

Net sales increased +4.7% YoY. Due to factors such as increased factory utilization rates accompanying the sales growth and product mix, gross margin rose to 50.7%, exceeding 50%.

SG&A expenses increased by 7% YoY. While SG&A expenses grew slightly more than net sales, operating income rose by 14.8% YoY. Solid investments improved product turnover rates, leading to higher utilization rates and cost reductions.

## FY2025 Q2 Results - By Business Segment (YTD 6 months)

All businesses increased sales and profit. Gross margin also exceeded the previous year's level in all businesses.

Unit: Million JPY	Q2 / Dec. 2024 YTD				Q2 / Dec. 2025 YTD				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
<b>Consolidated Net Sales</b>	<b>51,313</b>	<b>100.0%</b>	<b>48.8%</b>	<b>5,822</b>	<b>53,734</b>	<b>100.0%</b>	<b>104.7%</b>	<b>50.7%</b>	<b>6,684</b>
Japan Business	18,002	35.1%	33.0%	1,040	18,476	34.4%	102.6%	34.4%	1,107
China Business	19,629	38.3%	55.2%	5,149	21,274	39.6%	108.4%	56.4%	5,696
Singapore Business	7,094	13.8%	40.7%	954	7,200	13.4%	101.5%	42.2%	1,113
Lansinoh Business	10,092	19.7%	54.4%	462	10,613	19.8%	105.2%	55.6%	486
Elimination of inter-segment transactions	(3,505)	(6.8%)	—	—	(3,829)	(7.1%)	—	—	—

### ▼[Reference] Breakdown of Japan Business

Unit: Million JPY	Q2 / Dec. 2024 YTD				Q2 / Dec. 2025 YTD				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
Baby Care	13,093	—	36.8%	1,008	13,879	—	106.0%	38.3%	1,191
Childcare Services	1,727	—	15.0%	87	1,696	—	98.2%	17.6%	59
Health & Elder Care	2,248	—	33.7%	219	1,940	—	86.3%	33.9%	121

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

8

Profit and loss by business segment.

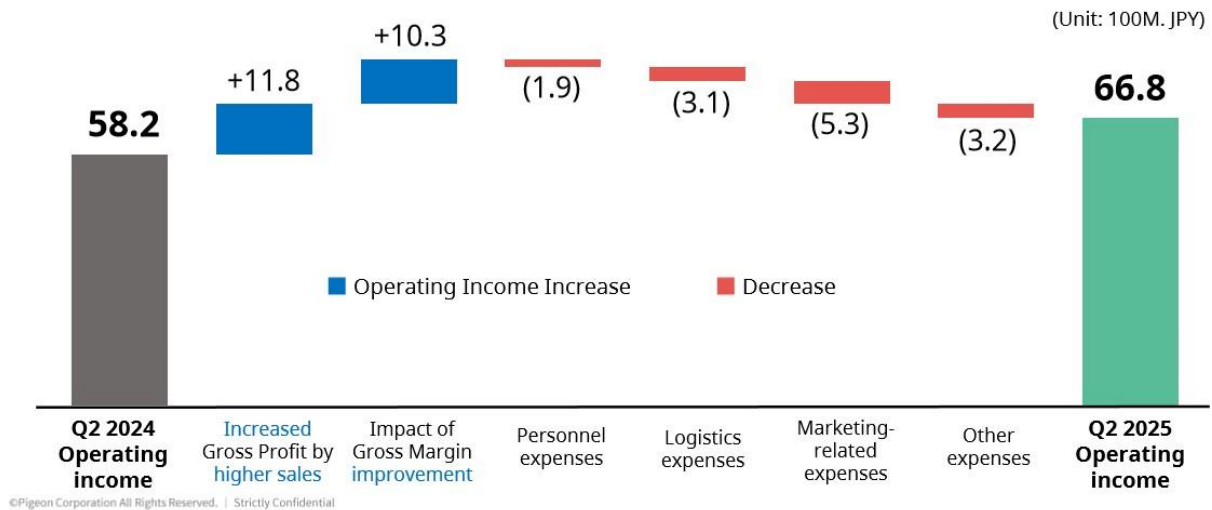
All four business segments achieved YoY increases in both sales and profit, resulting in positive outcomes. Gross margins also increased across each business segment.

Furthermore, sales in our Japan business increased by 2.6% YoY, while the Baby Care business saw a strong 6% increase

## FY2025 Q2 Results - Change in Operating Income (YoY)

SG&A expenses primarily increased due to aggressive growth investments in mainland China.

The increase in gross profit due to higher sales, among other factors, offset the impact of U.S. tariffs, resulting in an operating income increase of 860 million yen YoY.



9

Factors affecting the change in consolidated operating income compared to the previous period.

The increase in gross profit due to higher sales and the impact of improved gross margins were significant factors. Despite rising personnel and logistics expenses, we were able to grow operating income while also making solid use of marketing-related expenses.

## FY2025 Q2 - Consolidated Balance Sheet (Highlight)

Unit: Million JPY	End of FY Dec. 2024	Q2 / FY Dec. 2025			
	Actual	Actual	YoY Change (Amount)	YoY Change (%)	YoY Change (Amount) w/o impacts of FX rates
Cash and Deposits	39,201	34,071	(5,129)	86.9%	(3,726)
Notes and Accounts Receivable - Trade	18,392	21,663	+3,271	117.8%	+4,394
Inventories	14,012	14,363	+351	102.5%	+1,119
Notes and Accounts Payable - Trade	5,195	5,972	+776	114.9%	+983
Electronically Recorded Obligations - Operating	369	538	+169	145.8%	+169
Borrowings	—	—	—	—	—
Net Assets	84,607	80,646	(3,960)	95.3%	(1,110)
Total Assets	108,308	105,400	(2,908)	97.3%	+1,638
Equity Ratio	74.9%	74.1%	—	—	—

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

10

B/S highlights.

Cash and deposits decreased by approximately 5.1 billion yen from the end of the previous fiscal year, which includes the impact of foreign exchange rates.

Net assets and total assets also decreased slightly. The equity ratio remained largely unchanged.

## FY2025 Q2 Results - Business Summary By Segment

\*Sales: Sell-in on a local currency basis.

### Japan Business

#### Sales growth driven by nursing bottles/nipples and baby care appliances, contributing to increased sales and profit

- Baby care ended at +6% YoY. Sales through our own e-commerce platform surged by over 70% YoY.
- Sales of nursing bottles/nipples increased YoY. Baby skincare sales of the new Age-Up product "Petit Kids Hair Care Series" were steady, but overseas demand for Japanese-made "Momo-no-ha (Peach leaves) Lotion" remained sluggish.
- Sales of baby care appliances, centered on the "POCHItto" nursing bottle steam sterilizer/dryer, continued to perform well.
- The new drinking bottle "magmag Seicho-Jikkan" saw sales at specialty stores where it was launched in May exceed expectations.
- Gross margin for Baby care improved by 1.5pt YoY, driven by factors such as improved gross profit due to increased factory operations and sales through our own e-commerce platform.
- Price revisions in baby-related products including nursing bottles and nipples, effective from June.
- Health & Elder care implemented sales promotion of the new meal-related product "Jibunde-taberu Meal Catch" and the renewal of cleansing products.

#### Strengthening existing areas

Launched "Pigeon Bottle Lab," where customers can create their own custom nursing bottles/nipples  
Sales of new baby food and beverage products, the vegetable paste food "Gyu Gyu to Yasai" series, were also performing well



#### New areas: Baby care appliances

Electric nasal aspirator, nursing bottle steam sterilizer/ dryer, etc.  
Sales of high-priced products continued to perform well



©Pigeon Corporation All Rights Reserved. | Strictly Confidential

イメージ画像

11

Here is a summary by business segment.

Before discussing the Japan business, we would like to offer our sincere apologies. As announced in our press release yesterday and reported by some media outlets, we received reports of children sustaining injuries related to our electric nasal aspirator "SHUPOT". We take this situation very seriously and have immediately initiated an investigation into the cause and are considering countermeasures. The product itself has no defects, and normal usage does not lead to injury. However, to ensure even greater safety for our customers, we are responding not with a recall, but by distributing free improvement parts. With this modification, we will continue selling the product as one that can be used with greater peace of mind.

Now, regarding the summary of the Japan business, cumulative sales for Baby Care grew by 6% YoY. Sales through our own e-commerce channels performed exceptionally well, increasing by over 70% YoY, which was one factor driving up the gross margin. While baby skincare faced some challenges, the new Age-up product launched in Q1, the "Petit Kids Hair Care Series," recorded solid sales. Sales in the childcare appliances category, such as the "POCHItto" nursing bottle steam sterilizer and dryer, also remained strong.

Improvements in the product mix and increased factory utilization rates also contributed, resulting in a 1.5 pt improvement in the cumulative gross margin for baby care compared to the previous period.

Furthermore, in June of this year, we implemented price revisions for certain baby-related products, including nursing bottles and nipples. We anticipate the full effect of these price increases to materialize in the second half of the fiscal year and beyond.

## FY2025 Q2 Results - Business Summary By Segment

\*Sales: Sell-in on a local currency basis.

### China business

#### Strong performance in nursing bottles/nipples, and baby skincare products drove sales and profit growth

- Accumulated sales\* (RMB) in mainland China ended at +8% YoY.
- Sales of nursing bottles/nipples increased +15% YoY, continuing strong performance. Market share also expanded
- Baby skincare grew by +17% YoY, driven by strong sales of the "Momo-no-ha (Peach leaves) Lotion" In Q2 alone, sales increased by +23% YoY. New product "Vernix Skincare Series" launched
- UV and GMV achieved double-digit growth in the "618" period compared to the previous year. Sales through e-commerce channels, centered on our flagship store, continued to perform well. Achieved No. 1 brand ranking in major e-commerce channels
- Sell-out grew by +12% YoY. EC +13%, offline +9%. Both EC and offline sales continued to perform well. Current EC sales ratio was 78%.
- Sales of Pigeon brand nursing bottles/nipples showed strong growth in the North American market.
- Gross margin of the China business (in JPY) improved +1.2pt YoY due to an increase in the sales composition of high-margin nursing bottles / nipples.

#### Strengthening existing areas Launch of new baby skincare products



©Pigeon Corporation All Rights Reserved. | Strictly Confidential

#### New area: Age-Up products Strengthening sales in both offline and online



#### Brand: Communication Participation in environmental conservation events



12

In the China business, cumulative sales in mainland China grew 8% YoY. Particularly for nursing bottles and nipples, where we are focusing our efforts, cumulative sales achieved double-digit growth of 15% YoY, thanks to increased investment. This resulted in a strong first half performance and further expansion of our market share in nursing bottles.

Baby skincare, another area where we are intensifying investment following nursing bottles and nipples, also performed well in the first half. The popular Momo-no-ha (Peach Leaves) series, especially suited for summer, achieved cumulative sales growth of 17% YoY, exceeding the growth rate of nursing bottles and nipples. Furthermore, in Q2 alone, it grew by 23% YoY, demonstrating a successful alignment of investment and sales.

The new "Vernix Skincare Series" began shipping in May and was officially launched at a major baby products exhibition held in Shanghai in July.

In terms of sell-out, we achieved 12% growth YoY, combining e-commerce and offline sales. E-commerce continued to perform well, growing 13% YoY, and offline sales, which had been struggling in recent years, grew 9% YoY. We consider it a major achievement that we were able to increase sales in both channels. The e-commerce ratio increased 1 pt YoY to 78%.

In the China business, we have established a corporation in the United States to promote sales under the Pigeon brand, and sales are strong, exceeding 150% YoY growth.

## FY2025 Q2 Results - Business Summary By Segment

\*Sales: Sell-in on a local currency basis.

### Singapore Business

#### The Shift toward wide-neck bottles was progressed mainly in major countries, leading to increased sales and profit

- Accumulated sell-in in Indonesia grew by +16% YoY, India +3%, Malaysia +4% and Middle East was -11%
- Accumulated sell-out increased YoY in India, the Middle East, Australia, and Vietnam. Sell-out in Indonesia were a recovery trend.
- In nursing bottles/nipples, the sales ratio of wide-neck bottles increased YoY, driven by the brand renewal effect of the "SoftTouch™" series. In India, new wide-neck nursing bottle "SoftLatch® 2.0" was launched, targeting the growing upper-middle class.
- In the Natural Botanical skincare business, sales of "Diaper Rash Cream," a new product introduced in the previous year, continued strong performance. In Malaysia, a new Halal skincare product, "Milky Baby," sourced locally, was launched.
- Gross margin (in JPY) of Singapore Business improved +1.5pt YoY, driven by the growth in sales of nursing bottles and nipples.

#### Strengthening core products: Wide-neck bottles

Brand renewal for the SoftTouch™ series were implemented in Indonesia and Malaysia



#### New product

SoftLatch® 2.0 in India  
Milky Baby in Malaysia, etc.



#### Strengthening Core Products: Skincare

Increased exposure of Natural Botanical skincare series



©Pigeon Corporation All Rights Reserved. | Strictly Confidential

13

The Singapore business also performed steadily. Cumulative sales in the first half of the fiscal year in our major markets were up +16% YoY in Indonesia, +3% in India, and +4% in Malaysia. The Middle East struggled, with sales -11%, but sell-out exceeded the previous period. Although sell-out in Indonesia is on a recovery trend, it remains one of the areas where we are still struggling.

In the Natural Botanical skincare line, a key focus of the Singapore business, sales of the "Diaper Rash Cream" remained strong, driving overall series sales.

The gross margin for the Singapore business improved by 1.5 pt YoY, aided by factors such as improved factory utilization rates.

## FY2025 Q2 Results - Business Summary By Segment

\*Sales: Sell-in on a local currency basis.

### Lansinoh Business

#### Following on from Q1, sales and profit increased due to strong sales of mainstay products in North America and breast pumps in Europe

- Accumulated sales of Lansinoh Group (US\$) ended at + 8% YoY.
- Accumulated sales in North America increased +2% YoY. While benefits from the initial impact of new breast pumps products ran its course in the DME channel, sales of nipple cream and breast pads remained steady.
- In Europe, sales growth was driven by breast pumps (Wearable Pump).
- Sales of postpartum and recovery care increased YoY, maintaining strong growth led by Germany and the Benelux region.
- Sales of nursing bottles and nipples in the Lansinoh Group grew by over 40% YoY, showing strong growth.
- Gross Margin (JPY) improved +1.2pt YoY, despite the impact of U.S. tariffs on raw material costs, due to factors such as a decrease in ocean freight costs.

#### Strengthening existing areas: New products

Glass nursing bottles in multi-pack (5/8 oz)  
Breast pump "Thrive 2 in 1 Breast Pump™"



#### New area: Postpartum and recovery care

Continuing high growth centered on Europe



#### Brand: Communication

Strengthen information dissemination through SNS



©Pigeon Corporation All Rights Reserved. | Strictly Confidential

14

Cumulative sales for the Lansinoh business grew by 8% YoY. Although breast pump sales faced challenges in North America, overall results firmly exceeded the previous year's figures.

Sales of postpartum and recovery care products continued to show strong growth, particularly in Germany and the Benelux region.

Although impacted by U.S. tariffs, factors such as lower ocean freight rates contributed to a 1.2 pt improvement in the gross margin of the Lansinoh business compared to the previous quarter.

## FY2025 Q2 Results - ESG and Sustainability

### Sustainability

#### Working to co-create value with society to realize a "Vision of a Baby-Friendly Future"

- Obtained SBT certification for 2030 greenhouse gas emissions reduction targets for Scope 1 & 2 and Scope 3 (April)
- FTSE Russell ESG Rating improved to 4.3, recognized for initiatives such as the establishment of the Pigeon Group Human Rights Policy (June)
- Conducted the "Human Milk Bank Donation Campaign" as part of the "Supporting Newborns" initiative (April-June)
- Strengthened collaboration with multiple local governments in child-rearing support and disaster relief efforts (Miki City and Kawanishi City in Hyogo Prefecture, Matsuyama City in Ehime Prefecture, etc.)

#### Purpose of the Pigeon Group

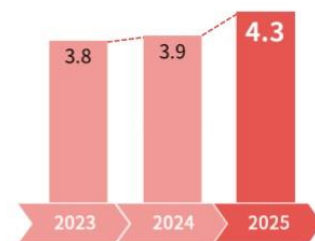


©Pigeon Corporation All Rights Reserved. | Strictly Confidential

#### Supporting the irreplaceable lives of every individual Promoting the creation of baby-friendly communities



#### Trend in FTSE Russell ESG Rating



15

### ESG and Sustainability Activities in the First Half

We achieved SBT certification in April.

Our FTSE Russell ESG rating also improved further to 4.3.

Additionally, our Human Milk Bank Donation Campaign for the "Supporting Newborn" initiative and the presentation of our survey findings on parenting and breastfeeding in the Reiwa era, announced in the first half, were covered by some media outlets, demonstrating the effectiveness of these activities.

We will continue to strengthen our activities providing child-rearing support and disaster preparedness products in collaboration with multiple local governments.

## FY2025 Full-Year Forecast - Unchanged

- Impact of the U.S. tariffs: The current estimated impact amount was lower than the initial estimate made in April.
- Performance Outlook: Taking into account the first-half performance, the full-year performance outlook remains unchanged.
- Future measures: To achieve the plan, we will continue to monitor the situation closely and focus on improving profitability across all businesses.

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

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

17

Here are our forecasts for the full year.

We have not changed its original forecast announced in February this year. Full-year sales are projected to increase by 5.3% YoY, exceeding the growth rate of the first half. Operating income is also planned to increase by 6.3% YoY, aiming for an operating income of 11.8%, an improvement of 0.1 pt.

## FY2025 - New Products and Topics for the Second Half

### New products

- Japan New products: POCHItto Slim, retort-pouches for toddlers, and baby skincare products
- China Full-scale launch of the Vernix Skincare Series and new products with Disney designs
- Singapore StarTouch™ (drinking bottle), new pacifier series
- Lansinoh Launching Organic Pumping Spray & Renewing Our Breastmilk Storage Bottles



● **POCHItto Slim**  
Adding new items to the popular  
babycare appliance line



● **Vernix Skincare Series**  
Developed using our proprietary  
"3D Baby Skin Model"



● **StarTouch™**  
New drinking bottle product



● **Organic Pumping Spray**  
A new product designed to address  
common issues during pumping

### Other key topics

- **Customizable Nursing Bottles**  
Popular initiatives in Japan, China, and other regions  
Rolling out in pop-up formats across various locations



©Pigeon Corporation All Rights Reserved. | Strictly Confidential

18

We will share with you Initiatives for the second half of the fiscal year.

In Japan, building on the strong performance of babycare appliances, we will launch the slim-type version of the "POCHItto" nursing bottle sterilizer and dryer as a new product.

In the China business, we will launch the new "Vernix Skincare Series." Using our proprietary "3D Baby Skin Model," we will effectively communicate its efficacy for baby skin.

In the Singapore business, as part of the Age-up strategy, we will strengthen sales of the new drinking bottle product "StarTouch™" to expand lifetime value.

In the Lansinoh business, we will launch new products such as the "Organic Pumping Spray," designed to reduce the burden on mothers while pumping.

Furthermore, customizable nursing bottles are expanding significantly not only in Japan but also starting in Taiwan and mainland China. We plan to continue expanding this business in Singapore as well.

## FY2025 Shareholder Returns and Investment

Dividends	Dec. 2023		Dec. 2024		Dec. 2025	
	Interim (Actual)	Year-end (Actual)	Interim (Actual)	Year-end (Actual)	Interim (Scheduled)	Year-end (Forecast)
Dividend per Share (yen)	38	38	38	38	38	38
Dividend payout ratio	122.6%		108.7%		108.4% (Full-year Forecast / Year-end)	

Investment-related Indicators (Consolidated) Unit: Million JPY	Dec. 2023		Dec. 2024		Dec. 2025	
	Interim (Actual)	Year-end (Actual)	Interim (Actual)	Year-end (Actual)	Interim (Actual)	Full-year (Forecast)
Capex (*1)	3,775	6,320	1,408	3,760	1,315	4,600
Depreciation (*2)	2,518	5,080	2,448	4,876	2,301	4,500
R&D Expenses (*3)	2,000	4,210	2,200	4,286	2,100	4,700

\*1: Property, plant and equipment and intangible assets (including long-term prepaid expense) \*3 : Monozukuri expense

\*2 : Depreciation (including amortization of goodwill)

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

19

Finally, regarding shareholder returns and investment.

As for the interim dividend for this fiscal year, it will be 38 yen per share as planned at the beginning of the period. Regarding capital expenditures, depreciation, and R&D expenses, we plan to gradually increase investment, particularly in R&D expenses.

## Questions and Answers

\*Questions and answers are listed by business segment.

### Group Consolidated

**Q. Regarding the nursing bottles and nipples business, what are the key areas where you expect future growth?**

A. We expect North America to be the area with the greatest growth potential in the short term. North America has a large market size, and while pigeon group has established brand recognition with Lansinoh, we have not yet fully challenged ourselves in the nursing bottle products market there, so we see significant opportunity. Currently, we sell nursing bottles and nipples in North America under both the Lansinoh and Pigeon brands, and we have been successful in growing sales for both.

In key markets like India and Indonesia, where we have been focusing our efforts, we are targeting further growth. This will be achieved by continuing the shift from slim-neck to wide-neck bottles and introducing new products specifically designed to meet the needs of the local market.

**Q. What is your current global market share for nursing bottles and nipples?**

A. Currently, our global market share for nursing bottles and nipples is around 10-11%.

**Q. What is the estimated impact of U.S. tariffs for the full fiscal year, and what countermeasures have been implemented?**

A. Initially in April, we estimated an annual cost impact of a ¥800 million to ¥1 billion increase. However, by the end of the first half, the actual impact was below that estimate. Our current forecast indicates the impact will be roughly half of our initial estimate from April. However, the outlook for U.S. tariffs remains uncertain. We are considering countermeasures such as passing on price increases, shifting production locations, and advancing procurement. We will continue to closely monitor the situation, taking into account the current impact level, and are prepared to implement measures immediately if necessary.

### Japan Business

**Q. Given Japan's declining birthrate, what drove the strong performance in Q2, and what is the outlook?**

A. The main factor was strong sales in the baby care appliances category, which features high-priced products and relatively high gross margins. Furthermore, for baby food, which is experiencing sales growth, we plan to leverage economies of scale by further expanding this segment to improve profit margins.

To counter the declining birth rates, we will target the larger kids market by expanding our Age-up products, aiming for sustainable growth.

**Q. What are the competitive advantages over rivals for baby care appliances and baby food/beverages, where you aim to increase market share going forward?**

A. We will focus on providing unique product strength and distinctive value not found in competitors to expand market share.

### **China Business**

**Q. How did sell-in and sell-out in mainland China compare to the previous quarter for Q2 alone (April-June)?**

A. For Q2 alone, sell-in in mainland China increased by 7.5% YoY, while sell-out grew by 10.5%.

**Q. Compared to Q1, the sales growth rate for nursing bottles and nipples in Q2 alone (April-June) appears to have slowed. Are there any concerns for the future?**

A. Due to the significant growth in sales of bottles and nipples in the previous year's Q2, which was a result of aggressive growth investments to counter the impact of ALPS treated water, the hurdle is high for this year. This makes the growth rate for the current Q2 appear to be lower. However, internally, we assess that Q2's growth rate is on plan, and market share is expanding steadily. Therefore, there are no particular major concerns at this point.

**Q. In the previous year's Q3 (July-September) alone, a significant gap occurred between sell-in and sell-out. Could you share your outlook for Q3 and Q4 of this fiscal year?**

A. In the previous year's Q3 alone, we cautiously implemented sell-in based on our internal assumption that sell-out would be difficult to grow due to a rebound effect from the strong performance of the immediately preceding quarter. This led to the gap. Leveraging the experience gained from that, we are also carefully managing distribution inventory levels during this period's "618" sales campaign, and inventory levels are currently not problematic. Looking ahead to the second half with the November "Double Eleven" sales event, while there is a possibility of earlier shipments due to the event's extended duration, we will manage inventory levels with the same vigilance as for "618" to prevent a significant gap between sell-in and sell-out, as occurred last year.

### **Lansinoh Business**

**Q. What is driving the significant growth in nursing bottles sales in North America?**

A. When Lansinoh first launched its nursing bottles, the concept was "nursing bottles for breastfeeding." However, in recent years, the proportion of mothers combining breast milk with

formula has been increasing. We believe our success stems from repositioning the brand and expanding the nursing bottle lineup to align with modern parenting styles and needs.

####