Summary of the Financial Results Briefing for the FY Dec. 2025 and 9th Mid-term Plan

Note: This "Briefing Summary" is a summary of presentation at the results briefing. Forward-looking statements in this document are based on management's assumptions and beliefs considering 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.
In the event of discrepancy between the English version and the Japanese version of the summaries, the Japanese-language version shall prevail.

[Date & Time]. Friday, February 13, 2026 16:00 - 17:30 JST

[Speakers] 8

Ryo Yano	President and CEO
Tadashi Itakura	Director, Senior Managing Executive Officer, Chief Product & Supply Chain Officer
Nobuo Takubo	Group Executive Officer, Chief Strategy Officer
Takashi Arai	Group Executive Officer, Chief Financial Officer
Minako Hara	Group Executive Officer, Chief Human Resources Officer
Yusuke Nakata	Group Executive Officer, Chief Branding Officer
Zenzou Yamaguchi	Group Executive Officer, Japan Business Unit Chief Executive Officer
Koji Matsutori	Group Executive Officer, Singapore Business Unit Chief Executive Officer

Agenda

Yano: Thank you very much for joining us today for our earnings briefing and the presentation of our 9th Medium-Term Business Plan, despite your busy schedules. Our agenda for today is as follows: First, we will report on our financial performance for the fiscal year ended December 2025. Next, we will outline our 9th Mid-Term Management Plan, which covers the three-year period from the fiscal year ending December 2026 through the fiscal year ending December 2028. Finally, we will discuss our earnings outlook for the upcoming fiscal year ending December 2026.

First, here are the performance highlights for FY2025.

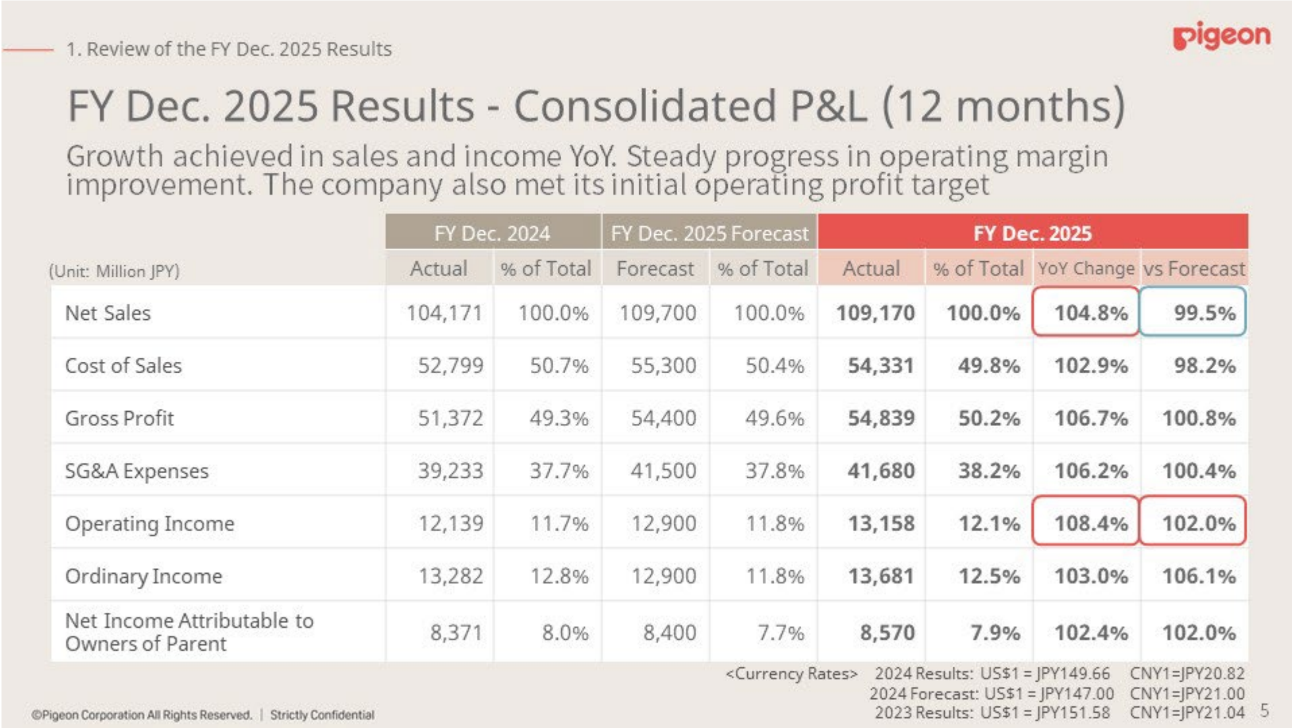
We achieved top-line growth, with both operating income and net income attributable to owners of the parent showing an upward trend. The key developments for each business segment are outlined here.

In Japan Business, we achieved significant growth in our proprietary e-commerce channels. Furthermore, our new strategic pillar, baby care appliances saw substantial expansion, serving as a primary driver for increased revenue and profit.

In China Business, focused investments in our core nursing bottle, nipple, and skincare categories—combined with the positive impact of new products—drove increases in both sales and profits. While intensified promotional activities in the second half led to higher expenses, they also clarified our operational challenges. Consequently, we have already initiated measures for the current fiscal year to optimize costs and improve efficiency.

In Singapore Business, profitability improved as the strategic shift progressed from traditional slim-neck bottles to our premium wide-neck models, which offer higher margins and better align with regional needs. Steady progress is evident in this market, and I will elaborate on this further later in the presentation.

The Lansinoh Business delivered steady revenue growth, driven by expansion in both maternity products and the nursing bottle and nipple categories. Although profitability was impacted by external factors such as U.S. tariffs, this year successfully laid a solid foundation for accelerating our sales of nursing bottles and nipples across the European and American markets.



(Unit: Million JPY)	FY Dec. 2024		FY Dec. 2025 Forecast		FY Dec. 2025			
	Actual	% of Total	Forecast	% of Total	Actual	% of Total	YoY Change	vs Forecast
Net Sales	104,171	100.0%	109,700	100.0%	**109,170**	**100.0%**	**104.8%**	**99.5%**
Cost of Sales	52,799	50.7%	55,300	50.4%	**54,331**	**49.8%**	**102.9%**	**98.2%**
Gross Profit	51,372	49.3%	54,400	49.6%	**54,839**	**50.2%**	**106.7%**	**100.8%**
SG&A Expenses	39,233	37.7%	41,500	37.8%	**41,680**	**38.2%**	**106.2%**	**100.4%**
Operating Income	12,139	11.7%	12,900	11.8%	**13,158**	**12.1%**	**108.4%**	**102.0%**
Ordinary Income	13,282	12.8%	12,900	11.8%	**13,681**	**12.5%**	**103.0%**	**106.1%**
Net Income Attributable to Owners of Parent	8,371	8.0%	8,400	7.7%	**8,570**	**7.9%**	**102.4%**	**102.0%**

<Currency Rates> 2024 Results: US$1 = JPY149.66 CNY1=JPY20.82
2024 Forecast: US$1 = JPY147.00 CNY1=JPY21.00
2023 Results: US$1 = JPY151.58 CNY1=JPY21.04

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Now, let's look at the consolidated full-year results.

While net sales fell short of our plan by approximately ¥500 million, both gross profit and operating income exceeded the previous year’s results. In particular, operating income grew at a rate surpassing our sales growth, leading to a YoY improvement in the operating margin.

1. Review of the FY Dec. 2025 Results

pigeon

FY Dec. 2025 Results - By Business Segment (12 months)

Net sales rose YoY across all business segments. Japan saw strong sales growth in baby care despite decline in births. Income increased in all except the Lansinoh Business segment.

(Unit: Million JPY)	Dec. 2024 Actual				Dec. 2025 Actual				
	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	109,170	100.0%	104.8%	50.2%	13,158
Japan Business	36,500	35.0%	32.8%	1,998	37,806	34.6%	103.6%	34.8%	2,596
China Business	39,027	37.5%	56.0%	10,066	42,902	39.3%	109.9%	54.4%	10,496
Singapore Business	14,277	13.7%	40.2%	1,668	14,920	13.7%	104.5%	42.7%	2,124
Lansinoh Business	21,430	20.6%	55.1%	1,731	21,904	20.1%	102.2%	55.6%	1,517
Elimination of Inter-segment Transactions	(7,064)	(6.8%)	—	—	(8,363)	(7.7%)	—	—	—

[Reference] Breakdown of Japan Business

(Unit: Million JPY)	Dec. 2024 Actual				Dec. 2025 Actual				
	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	28,787	—	107.6%	38.7%	2,851
Childcare Services	3,364	—	13.8%	122	3,313	—	98.5%	16.0%	91
Health & Elder Care	4,400	—	34.7%	405	3,948	—	89.7%	33.5%	230

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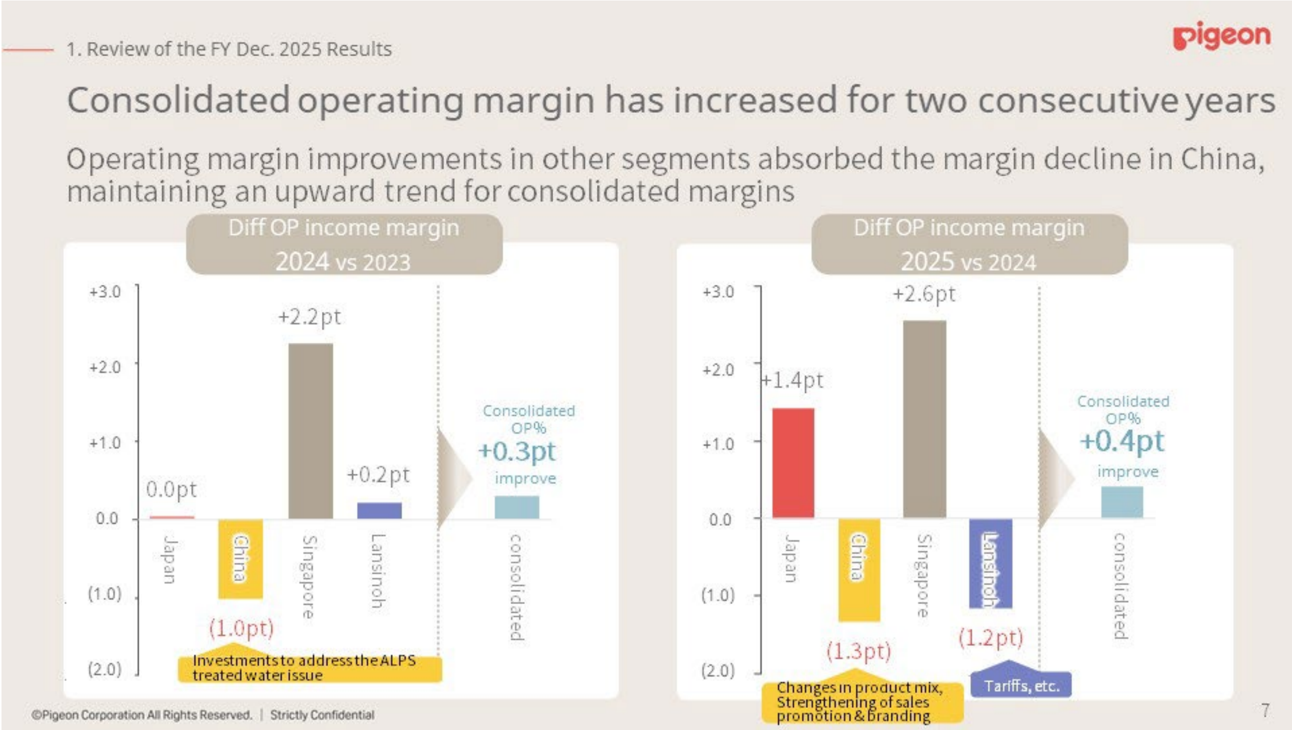
This slide illustrates our profit and loss by business segment.

While our Childcare Services and Health & Elder Care businesses in Japan faced challenging market conditions, Baby Care sales grew by approximately 8% YoY In China, we achieved approximately 10% sales growth, while in Singapore, the ongoing transition toward wide-neck bottles contributed to higher unit prices and improved profitability.

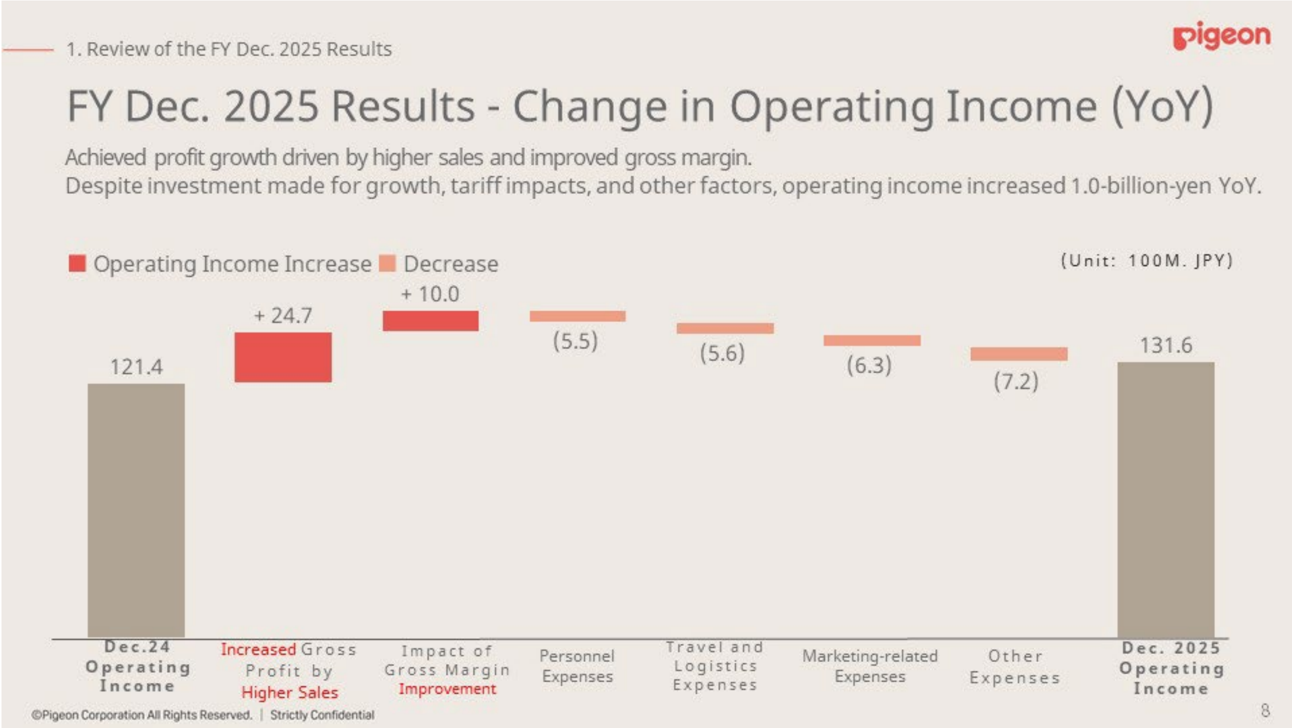
Although the Lansinoh business faced headwinds in the U.S. market, overall sales still exceeded the previous year. Notably, Europe achieved significant growth, with sales increases recorded across nearly all regions.



This slide demonstrates that our consolidated operating profit margin has improved for the second consecutive year.

The graph on the left provides a breakdown of the variance in actual operating profit margins between FY2024 and FY2023 by business segment. In FY2024, we made strategic investments in mainland China to recover from the sharp sales decline triggered by the ALPS treated water issue the previous year. Meanwhile, our Japan and Singapore businesses established robust profit-generating structures.

The graph on the right illustrates the variance between FY2025 and FY2024. In the China business, the operating profit margin decreased YoY for the full year, primarily due to expenses related to new product launches in the second half. Although the Lansinoh business also saw a margin decline due to tariff impacts, our Japan and Singapore businesses continued to grow as solid profit bases. This growth effectively counterbalanced the declines elsewhere, enabling an overall improvement in the Group's consolidated operating profit margin.



Next, let's examine the factors affecting the change in consolidated operating profit compared to the previous fiscal year.

Although personnel expenses, logistics costs, and marketing-related expenses increased, these were successfully absorbed by top-line revenue growth and an improved gross profit margin. As a result, we achieved an increase in operating profit of approximately ¥1 billion YoY.

1. Review of the FY Dec. 2025 Results

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FY Dec. 2025 Results - Balance Sheet

Inventories rose from the previous fiscal year-end. Going forward, we will enhance efficiency and CCC by reinforcing monitoring

(Unit: Million JPY)	End of Dec. 2024	End of Dec. 2025			
	Actual	Actual	YoY Change (Amount)	YoY Change (%)	YoY Change (Amount) w/o Impacts of FX Rates
Cash and Deposits	39,201	39,609	+408	101.0%	-875
Notes and Accounts Receivable-Trade	18,392	18,642	+249	101.4%	-170
Inventories	14,012	16,265	+2,252	116.1%	+1,942
Notes and Accounts Payable-Trade	5,195	5,121	-74	98.6%	-191
Electronically Recorded Obligations - Operating	369	366	-3	99.1%	-3
Borrowings	—	—	0	—	—
Net Assets	84,607	85,887	+1,279	101.5%	-605
Total Assets	108,308	110,088	+1,780	101.6%	-644
Equity Ratio	74.9%	75.3%	—	—	—

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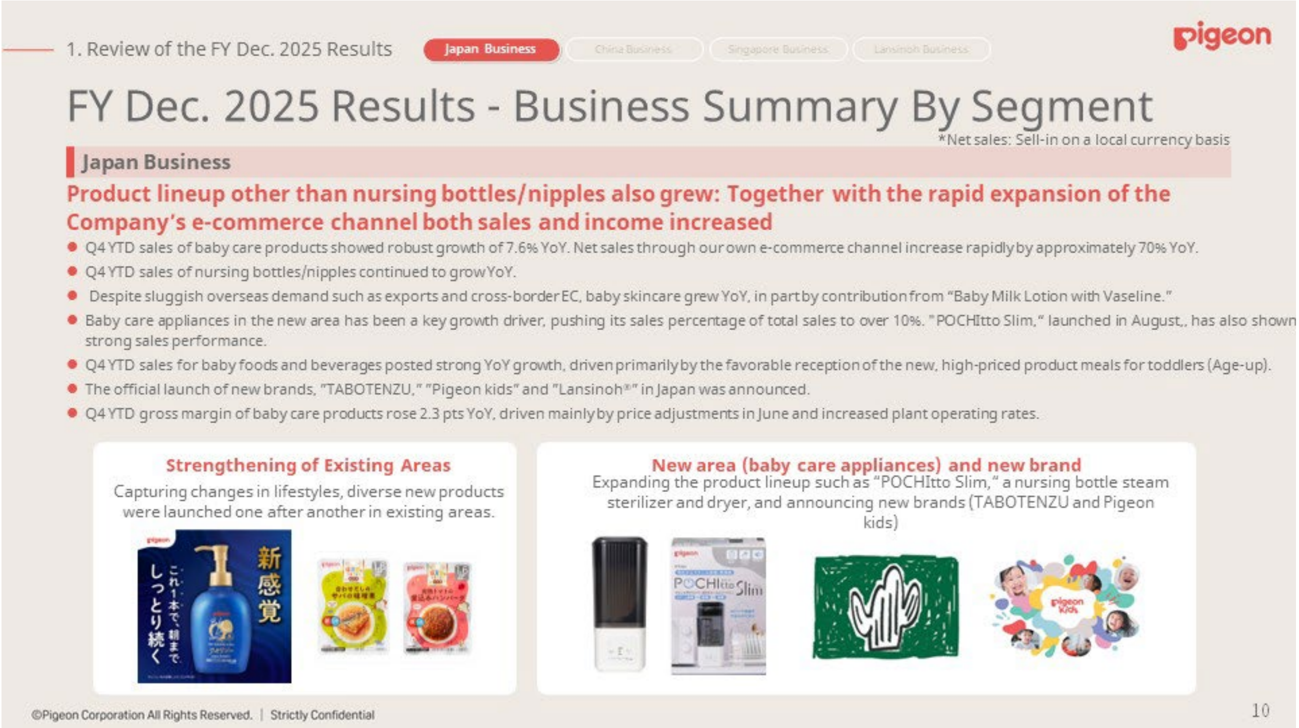
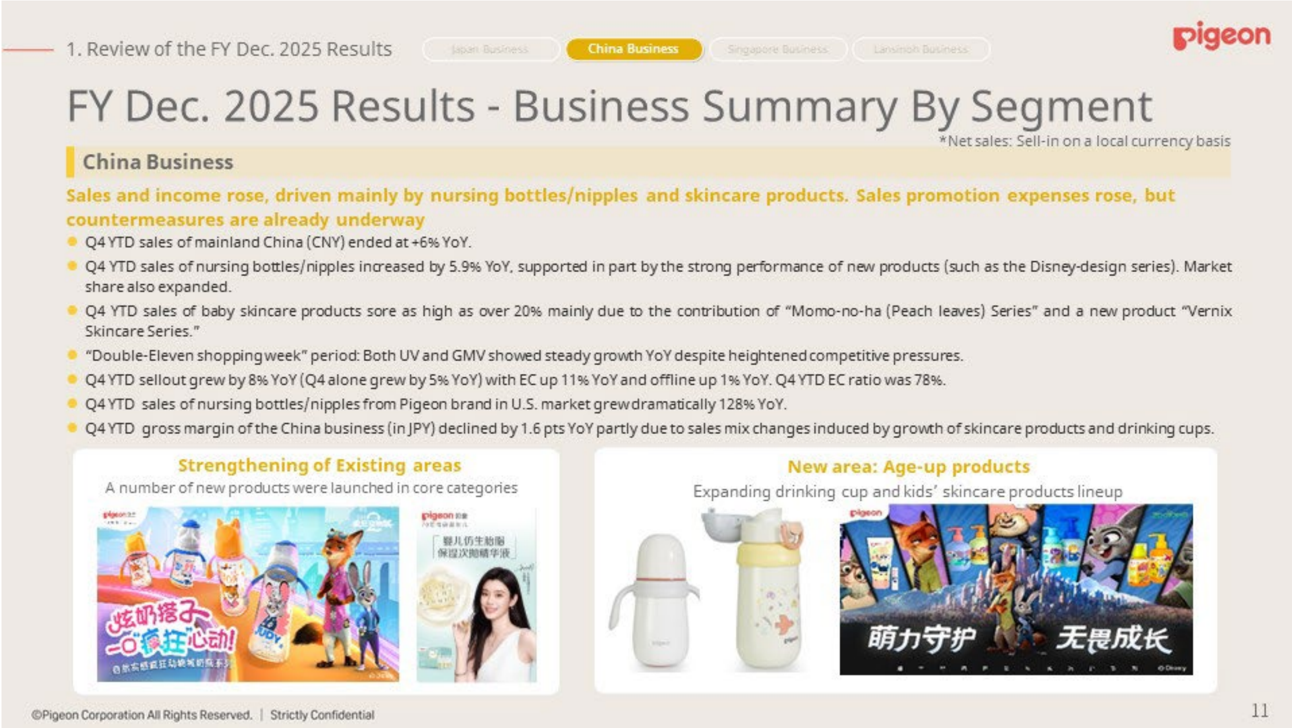
Here are the balance sheet highlights.

A major point for reflection was our failure to effectively control inventory assets. The increase in inventory, particularly within our Japan business, has become a significant issue. However, we have already strengthened our monitoring system and are committed to driving inventory optimization starting from FY2026.



Next is our Business Segment Summary. First to start with Japan Business.

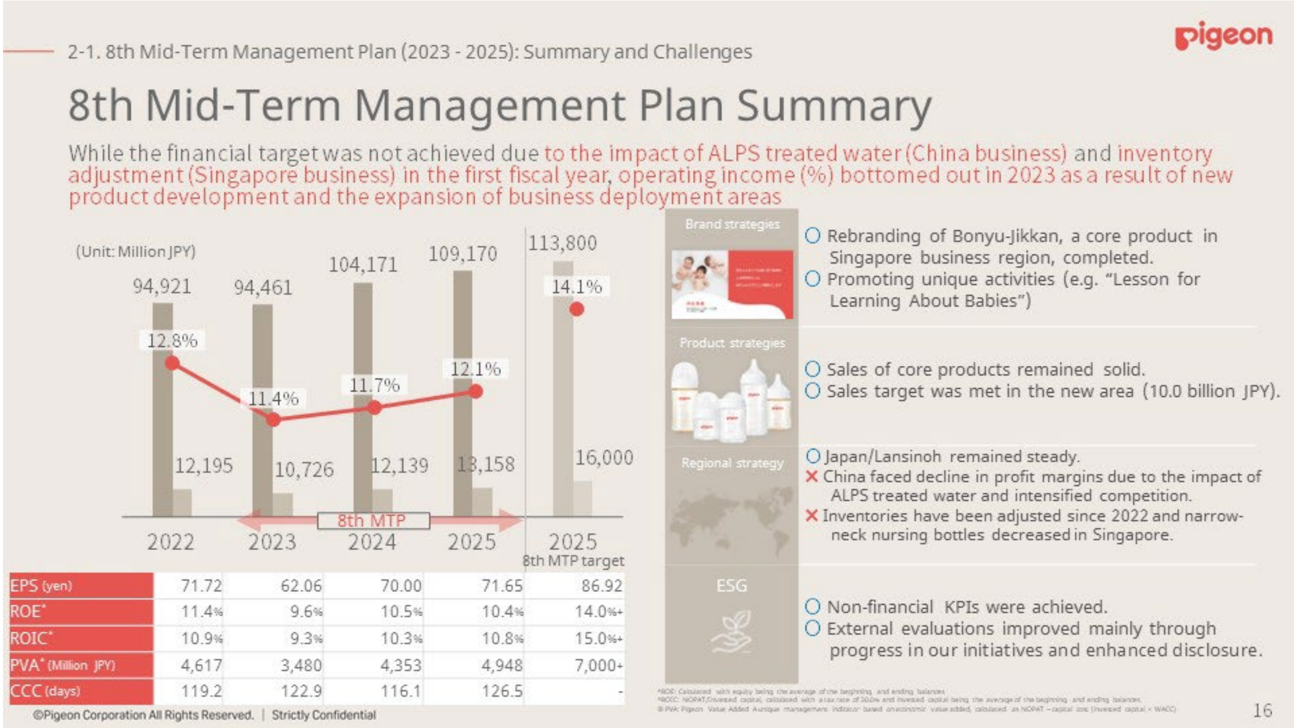
Within Baby Care, cumulative sales grew by approximately 8% YoY. Notably, our own e-commerce sales surged by 70% YoY, demonstrating that we have successfully established a system to deliver products directly to our customers. Our new childcare appliances business also grew steadily, becoming a core pillar with a sales share exceeding 10%. While maintaining a dominant market share of over 80% for nursing bottles and nipples, we launched the new brand 'TABOTENZU' and 'Pigeon Kids' for older children, and initiated the full-scale development of the Lansinoh brand.



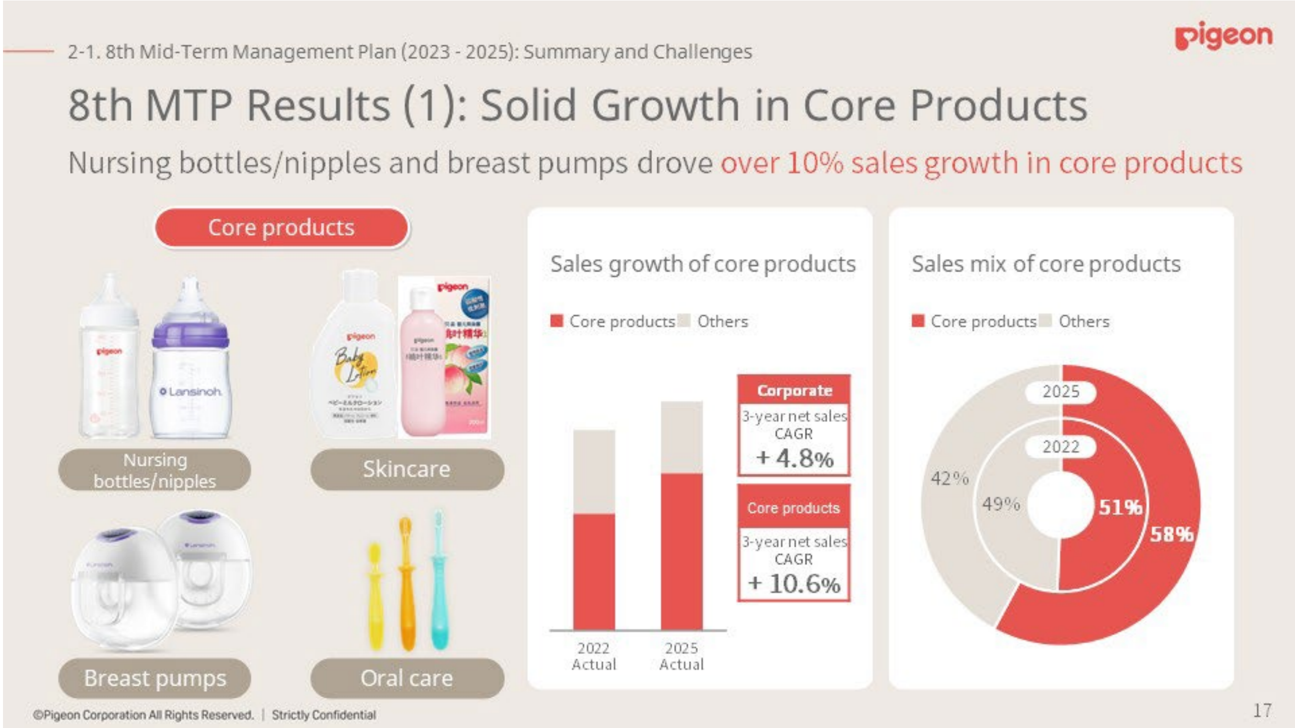
In China, cumulative sales of nursing bottles and nipples increased by approximately 6% YoY, while skincare sales grew by approximately 20%. During the Double 11 sales campaign, we achieved a Gross Merchandise Volume (GMV) that exceeded the previous year’s results while maintaining a rigorous focus on cost-effectiveness. Furthermore, by leveraging the e-commerce and digital marketing expertise cultivated in China, we have driven rapid growth in the North American market. Specifically, sales of Pigeon-branded nursing bottles and nipples in North America have more than doubled compared to the previous period.

In our Singapore business, we strongly promoted a strategic shift toward wide-neck bottles, increasing their sales share to over 60%. Furthermore, our sell-out showed year-on-year growth in the Middle East, India, Australia, and Vietnam, while in Indonesia, sales recovered to the previous year's levels.

The Lansinoh business secured a 2% YoYincrease in sales, maintaining growth despite a challenging market environment. Of particular note is the exceptional growth rate of over 40% compared to the previous period for our nursing bottles and nipples.



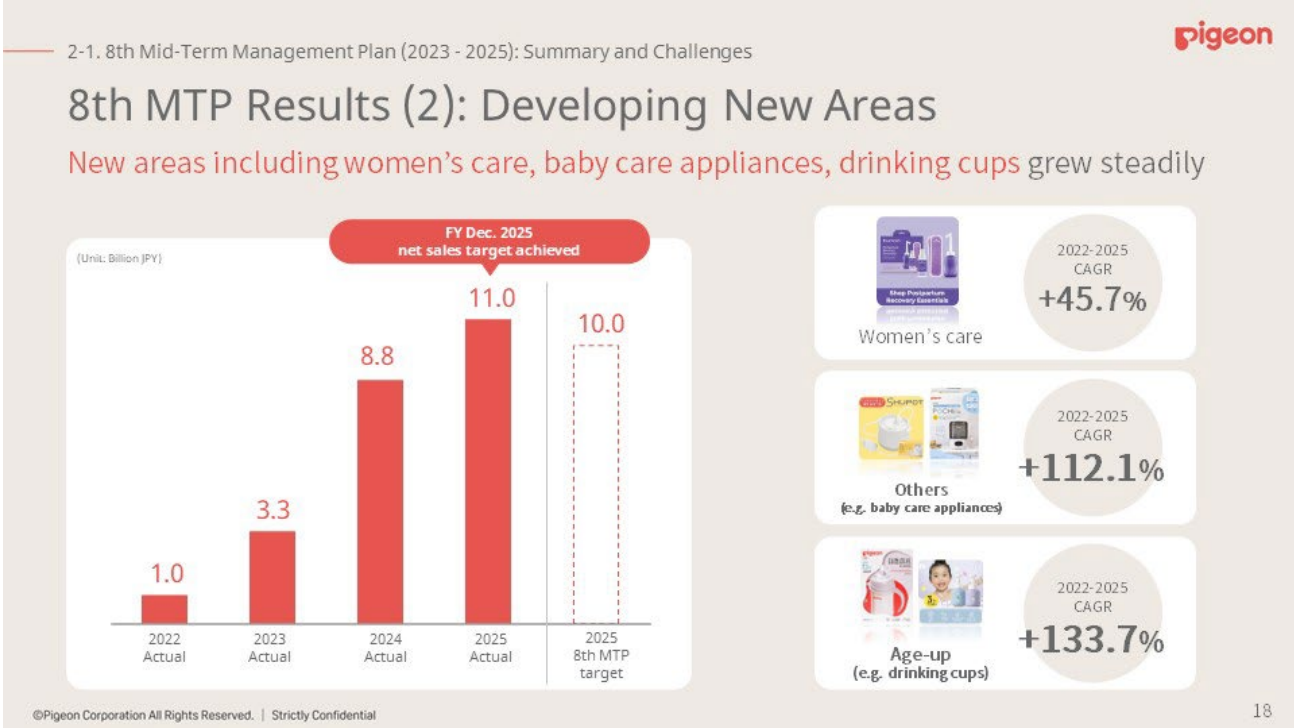
This slide explains the contents of our mid-term management plan. First, we summarize the 8th Mid-Term Plan, which concluded in December 2025, and identify key challenges. The 8th Mid-Term Management Plan faced a very difficult start in its first year, 2023, due to reputational damage from the ALPS treated water issue in mainland China and inventory adjustments in the Singapore business. Consequently, while we strengthened investments to recover sales and market share in the China business, the Group as a whole managed to restore the operating profit margin in FY2024 and 2025. However, we did not achieve the financial targets set for the final year of the 8th Mid-Term Management Plan.



Despite such a challenging environment, we delivered tangible results.

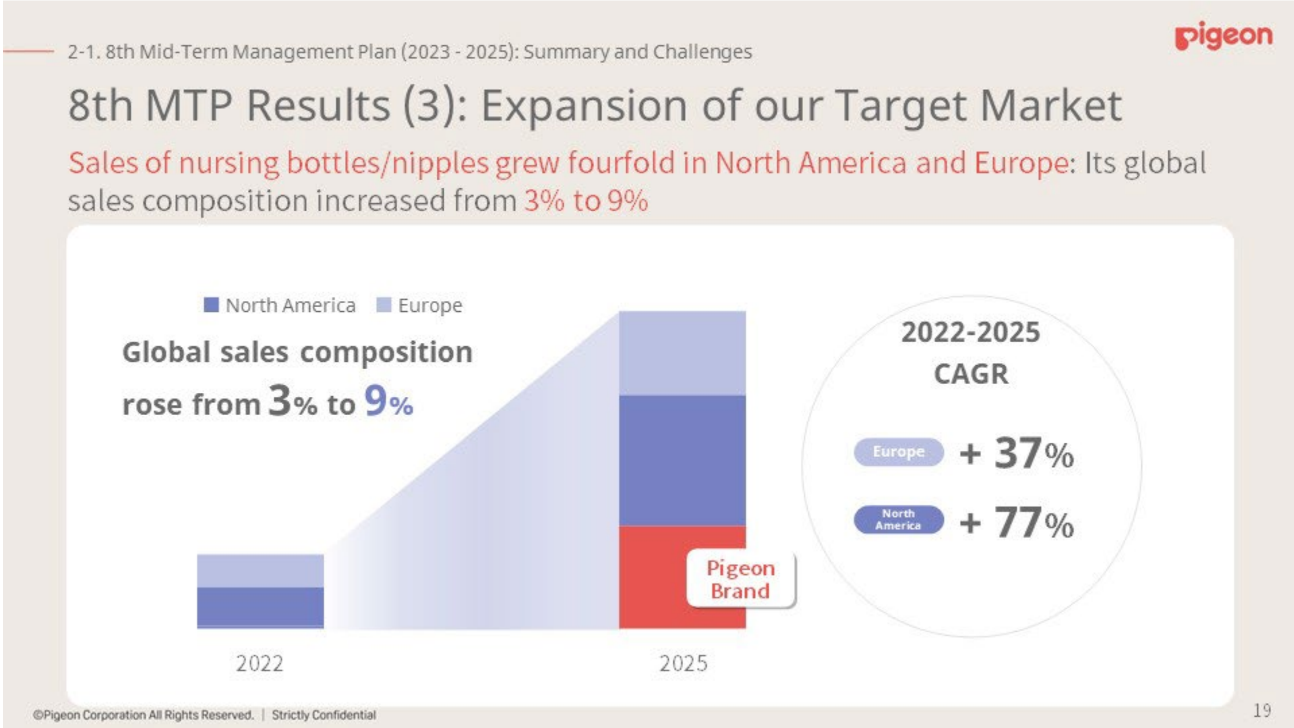
First, our four focused core categories—nursing bottles and nipples, skincare, breast pumps, and oral care—achieved a CAGR of 10.6%. This growth significantly outpaced the Group's consolidated sales CAGR of 4.8%, and as a result, their share of total sales increased.

We view this three-year period as one in which we successfully balanced our product portfolio: we drove growth in prioritized products while simultaneously reducing product groups where we did not necessarily hold a competitive edge.



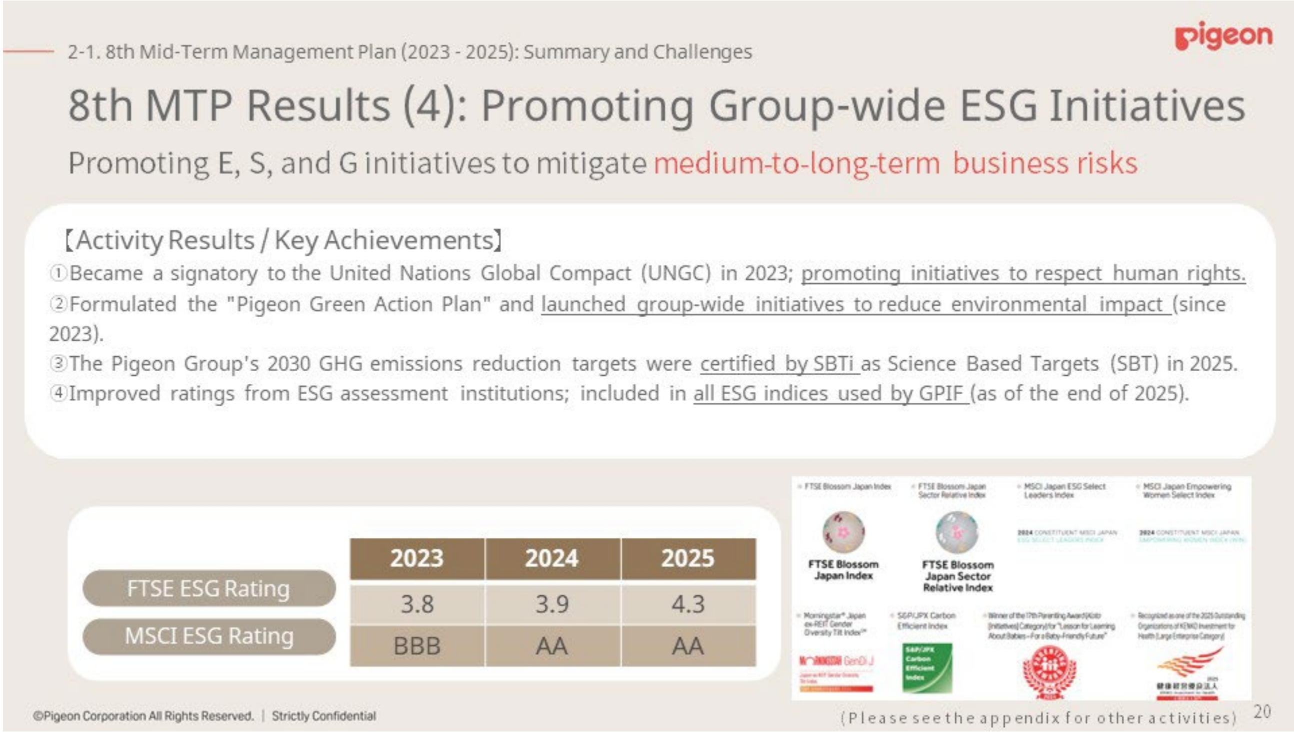
Another key achievement was the performance of our new domains, such as women's care, baby care appliances, and age-up products. Sales in these areas surpassed our ¥10 billion target, reaching ¥11 billion.

As illustrated on the right, we delivered high sales CAGRs consistently throughout each year of this three-year period.



The third achievement is a key message leading into our 9th Mid-Term Management Plan that we particularly want to emphasize today.

Sales of nursing bottles and nipples in North America and Europe expanded rapidly, increasing approximately fourfold over the three-year period. In Europe, the three-year CAGR was +37%, while growth in North America was even more pronounced, reaching a CAGR of +77%. Within this, we also delivered significant growth for Pigeon-brand nursing bottles and nipples, indicated in red. We believe this represents a highly significant achievement for the Group.



	2023	2024	2025
FTSE ESG Rating	3.8	3.9	4.3
MSCI ESG Rating	BBB	AA	AA

Next, I will review the results of our ESG initiatives. We have delivered consistent progress, including securing SBTi certification for our greenhouse gas reduction targets and improving our overall ESG ratings. Notably, our FTSE rating for 2025 reached a record high of 4.3, significantly surpassing our previous levels.

As a Group dedicated to baby care, we remain committed to further strengthening these ESG-related activities to ensure a sustainable world for babies both now and in the future.

On the other hand, as outlined here, we identified four core challenges during the 8th Mid-Term Management Plan.

Specifically, our high reliance on the uncertain Chinese market and the sustained decline in profitability within our China operations remain significant issues. We will detail our strategic roadmap to address these challenges in the upcoming section on the 9th Mid-Term Management Plan.

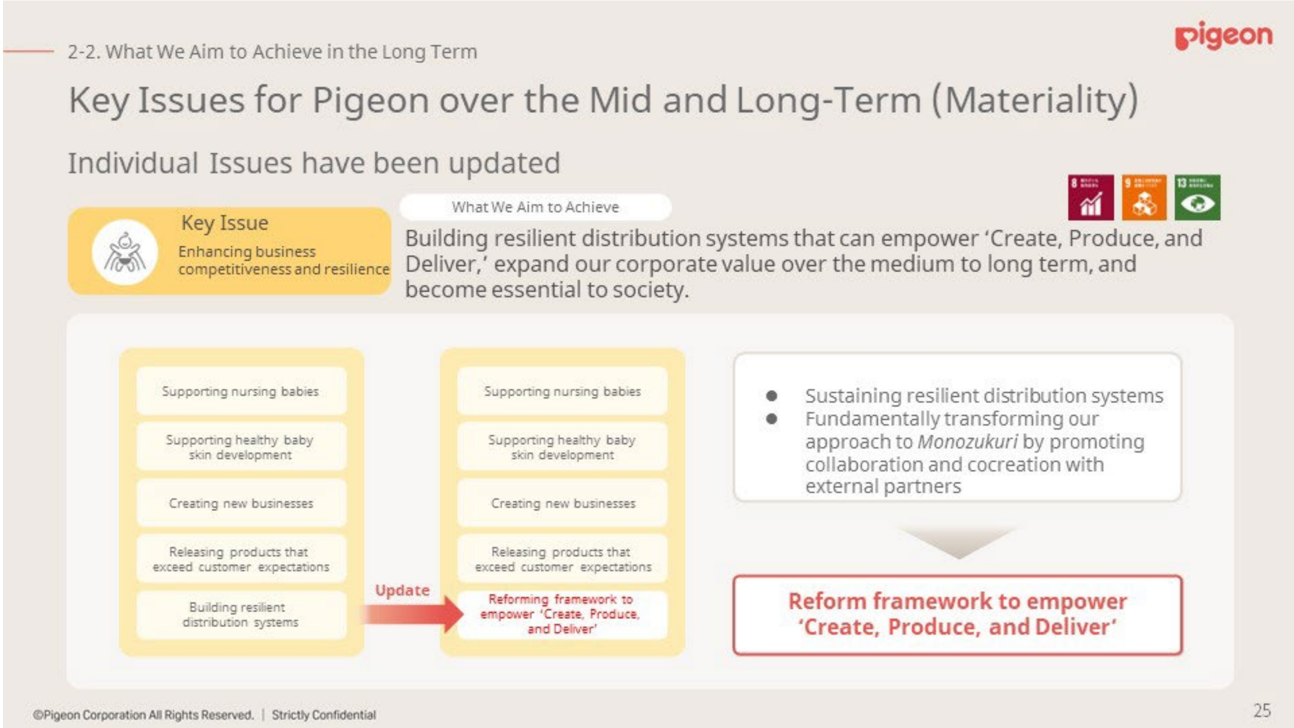
Before moving on to the details of the 9th Medium-Term Business Plan, I would like to explain our Long-Term Vision.

This statement expresses our desire to become a company that creates 'baby-friendly environment' for infants around the world. This conviction is what personally motivated me to join Pigeon and continues to drive my dedication today.

In my media interviews, I always explain that our DNA is rooted in nursing products—the very first artificial objects babies encounter in their lives—and that Pigeon is a company that has centered its entire existence on this mission.

This is our Group's value creation story.

We have established five sources of value creation and identified five key issues (materiality). By implementing our Mid-Term Management Plan with a long-term perspective, we aim to create corporate value consisting of both economic and social value, ultimately realizing our 'Long-Term Value Co-creation with Society' and its six societal faces.



We have updated our key issues.

Specifically, we have evolved 'Building resilient distribution systems' into "Reform framework to empower 'create, produce, and deliver'".

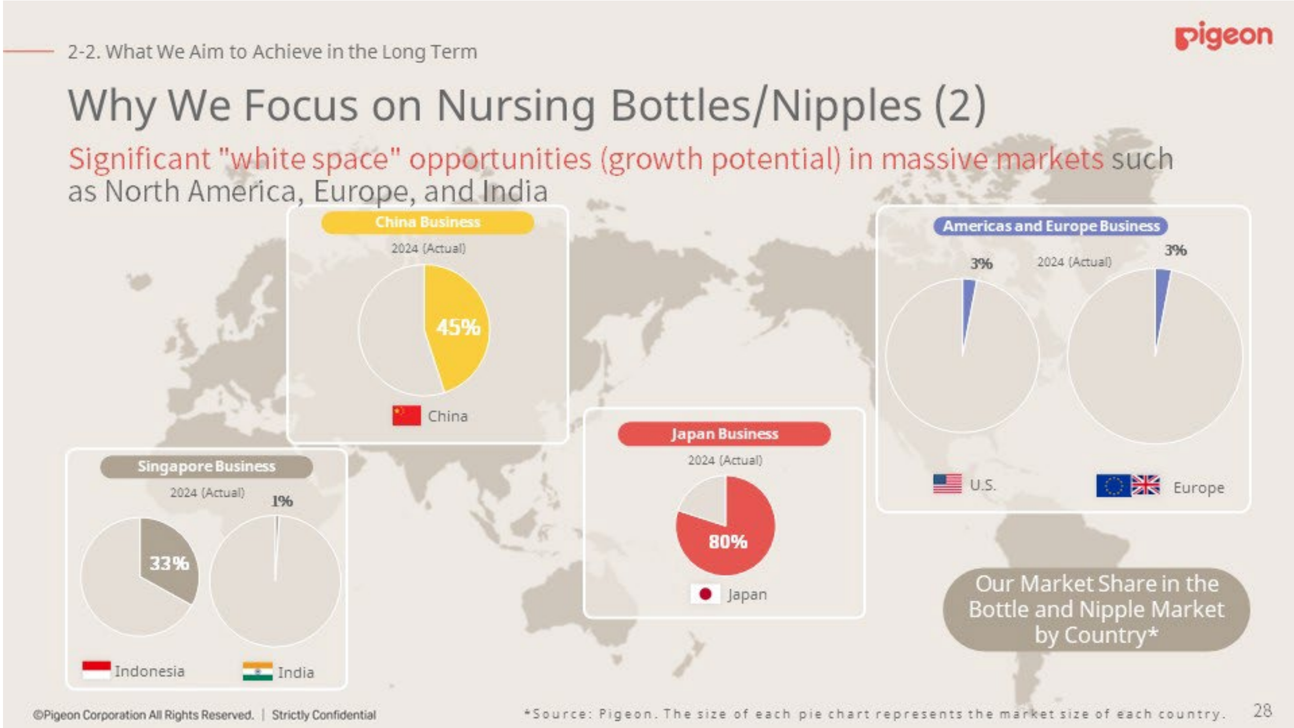
Under the four-business-unit structure adopted in 2019, each unit established its own autonomous system for product development, manufacturing, and delivery. Going forward, we will achieve greater efficiency by ensuring robust horizontal integration across these functions.

This is an update to the information disclosed at our first-half results briefing in August 2025.

As I reflected on my own professional history to reaffirm why I chose to work at Pigeon, I took the opportunity to reorganize the Group's fundamental strengths and assets. Currently, we have two distinct global brands, Pigeon and Lansinoh, each with different regional footprints and product categories. By combining these, I see immense potential to create significant synergies. We will execute our strategy to achieve overwhelming global leadership in the nursing bottle and nipple category by driving significant growth across both brands.

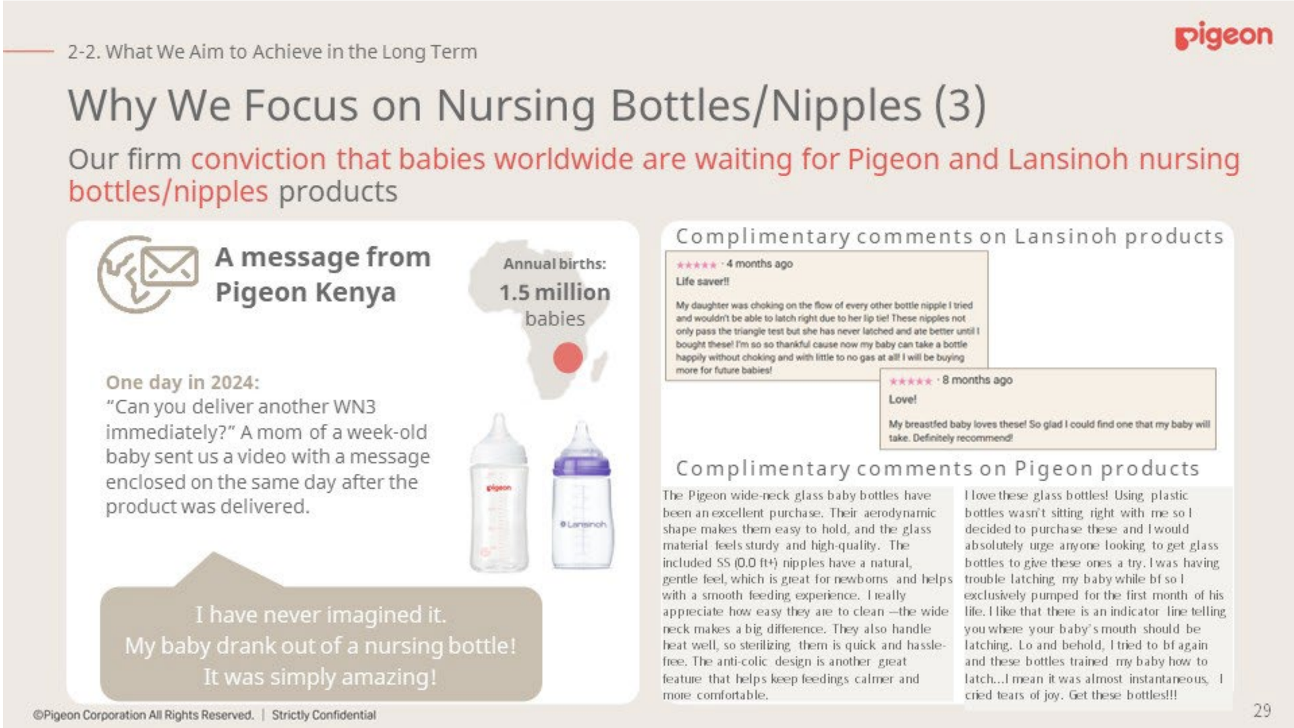
Many people worldwide have yet to experience our nursing bottles and nipples, which embody our Group DNA and represent what we believe to be the highest quality globally. With approximately 130 million babies born annually, we are determined to extend our reach to every one of them.

Our Group focuses on nursing bottles because they are essential items that support life. Typically, once a pregnancy is confirmed, mothers select a nursing bottle between the fifth and eighth month, establishing it as a "gateway product" for childcare. While we currently hold the leading global market share in this category, being selected from a vast array of competitors requires a combination of strong brand equity, advanced functionality, and consistently high customer evaluations. Furthermore, nursing bottles are the very first artificial objects a baby encounters in their life. Without absolute trust, they will not be purchased. By having customers choose this entry-level product, we cultivate a level of trust that fosters "brand spillover" to our related product categories while simultaneously enhancing overall confidence in the Pigeon Group.



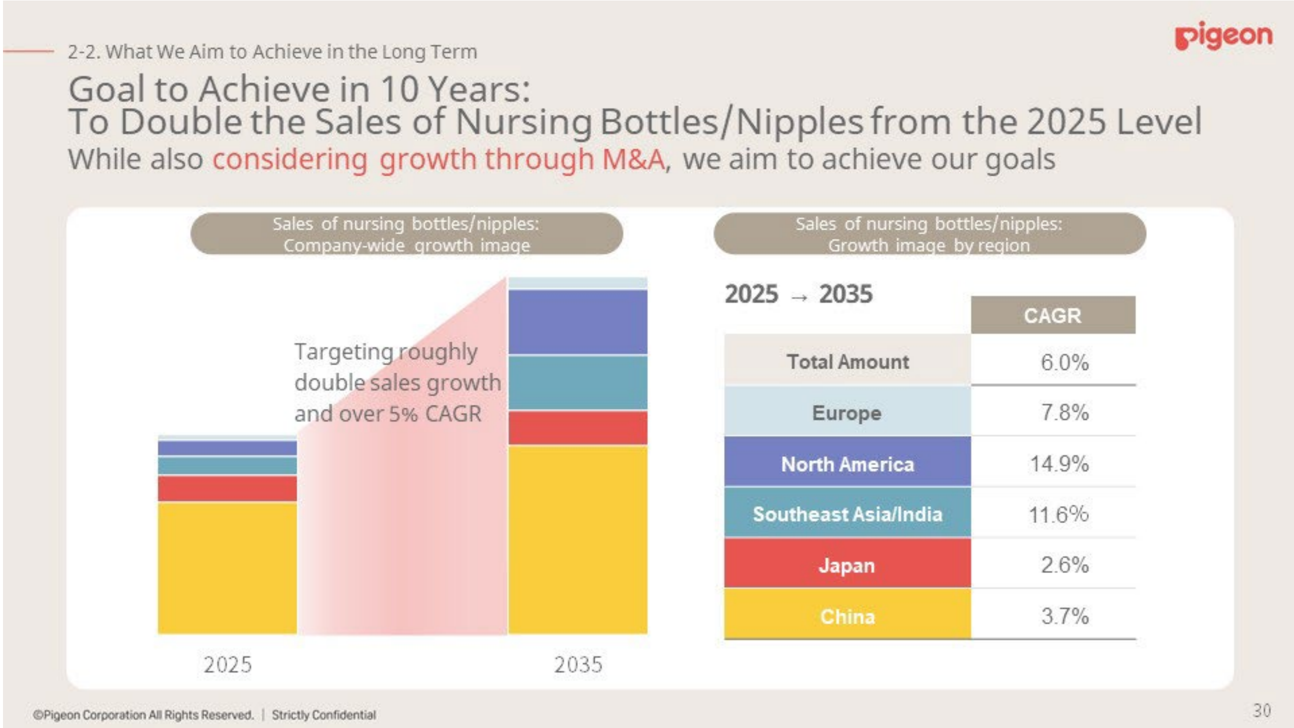
The second reason for our focus on nursing bottles and nipples is the significant growth potential in regions such as Europe, the U.S., and India.

These markets not only represent a vast 'white space' for our Group , but we have also established a track record of substantial sales growth through trial introductions in North America. Based on this clear evidence, we will further accelerate our strategic expansion in these regions moving forward.



While there are many such instances, I would like to share a small selection of our successes. In Kenya, where we established a local subsidiary in 2021, we have received very positive feedback from customers stating that their babies were able to feed comfortably thanks specifically to Pigeon nursing bottles and nipples.

Furthermore, in the North American market, we sell nursing bottles and nipples under both the Pigeon and Lansinoh brands, and both product lines have received high praise and favorable evaluations from our customers.



This slide illustrates our long-term growth vision for nursing bottles and nipples ten years from now.

Even in China and Japan, where birth rates are projected to decline, we are confident that significant room for growth remains through the strategic introduction of new high-value-added products. We will target accelerated growth across Southeast Asia, India, Europe, and North America. Among these regions, we have positioned North America as our most vital expansion market."

In formulating the 9th Mid-Term Management Plan (2026–2028), I dedicated my first year as President to re-examining the challenges facing our Group and thoroughly exploring strategic solutions. We will enhance our execution capabilities by focusing on the following 'Five Strategic Pillars' to advance the Group into its next growth phase.

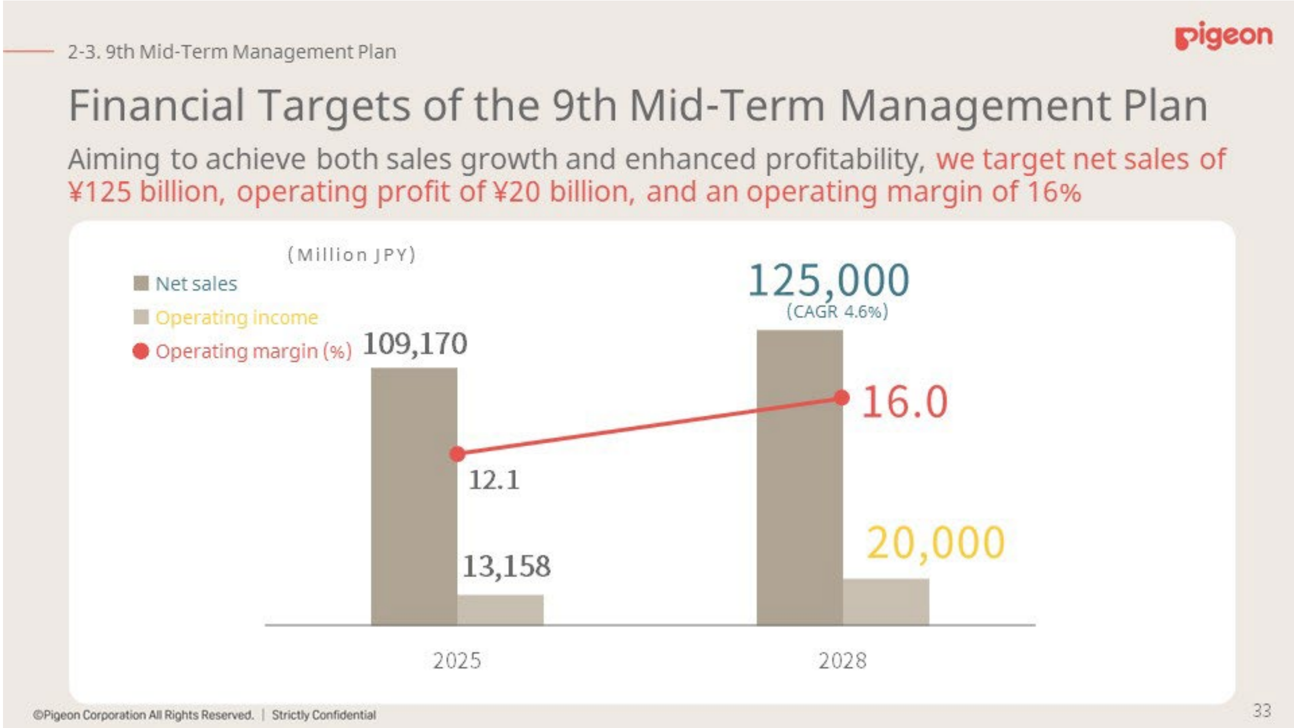
First, 'Strengthening Execution Capabilities through CxO System': While our existing vertical business division structure is robust, we recognized a significant opportunity to improve 'horizontal collaboration' to drive global efficiency and cost reduction. The newly introduced CxO system clarifies the delegation of authority, enabling us to drive Group-wide optimization and operational efficiency with greater speed.

Second, 'Enhancing our Financial Management Framework': This involves transitioning from individual interactions with each business unit to a new, comprehensive meeting structure that incorporates our CxO team. Since last year, our vertical business leaders and horizontal CxOs have been meeting monthly to enhance our strategic foresight. This year, we will further refine our data utilization to improve the accuracy of management decisions.

Third, 'Restructuring Regional Strategies': We have renamed the organization previously grouped under the 'Lansinoh' brand to the 'Americas and Europe Business'. This repositioning identifies the region as our 'Next China,' allowing for concentrated investment in the high-margin nursing bottle and nipple category. We will cultivate this region as a core pillar for sustainable profit growth.

Fourth, 'Accelerating Business by Leveraging External Expertise': Realizing our growth strategy requires overcoming numerous hurdles. By leveraging insights from external partners, including Japan Activation Capital, and engaging in vigorous debate, we have thoroughly refined our strategic resolution and execution capabilities.

Finally, 'Firmly Committed to Stock Price and Profitability': We have initiated revisions to our executive compensation system to ensure that an acute awareness of metrics—specifically share price and profit margins—permeates the entire organization.



This slide outlines our 9th Mid-Term Management Plan.

By 2028, we aim to achieve net sales of ¥125 billion, operating income of ¥20 billion, and an operating margin of 16.0%. We will enhance the likelihood of achieving this plan by driving growth in our 'white space' markets across the Americas and Europe—specifically in the nursing bottle and nipple categories—while simultaneously executing the management system reforms that I will detail later.

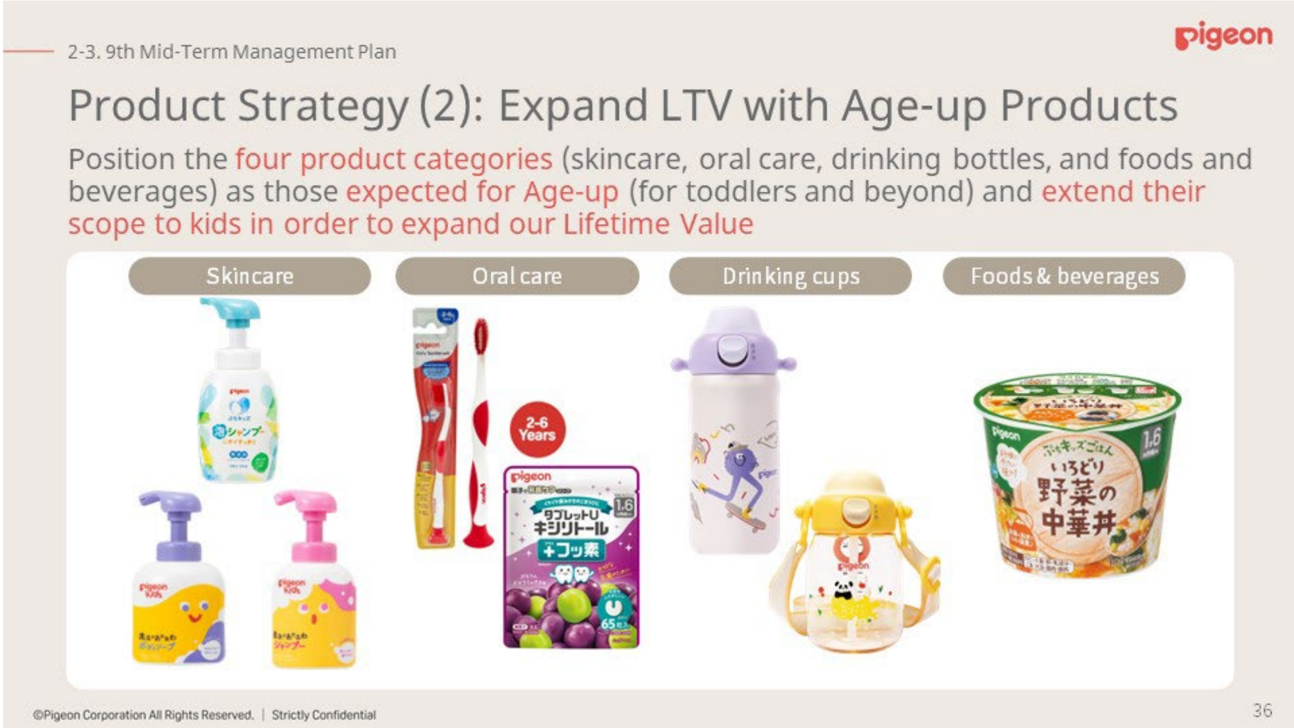
We will now outline the strategies the Group will execute to achieve these management goals, categorized into: 'Product Strategy,' 'Regional Strategy,' and 'Reinforcement of Management Foundations and Steady Implementation of ESG.'

Regarding our 'Product Strategy,' our foremost priority is undoubtedly to drive robust growth in our nursing products. We will aggressively enter the European and American markets with these products, which boast strong brand equity and exceptionally high profit margins. This marks an expansion beyond our historical focus on Japan, China, and Southeast Asia within our 'Regional Strategy.'

Regarding 'Reinforcement of Management Foundations,' we will adopt a CxO system as a core pillar of our management reform. This initiative aims to enhance organizational speed through the delegation of authority and significantly improve the likelihood of successful strategy realization.

First, let me outline our Product Strategy.

In addition to our core products, we have defined women's care, drinking cups, baby care appliances, and baby food as 'sub-core products' and positioned them as key growth drivers. We will focus our resources particularly on these eight strategic categories to drive expansion.



Now, let me explain our second product strategy.

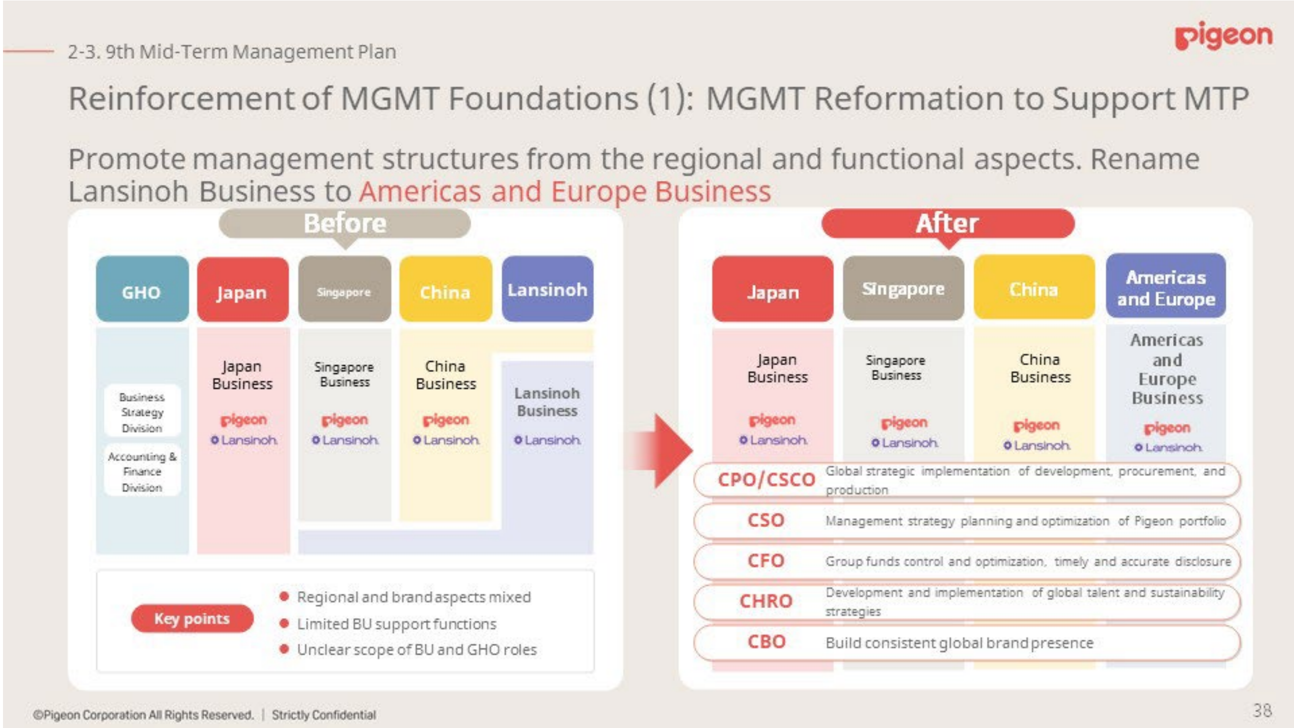
Traditionally, customers who used our Group’s nursing bottles and nipples, and baby products would graduate from them around 1.5 to 2 years of age. We see a significant opportunity for growth here. We will expand our lineup of age-up products—specifically in skincare, oral care, drinking cups, and food & beverage items—to extend Lifetime Value (LTV). These products enable us to build longer-term relationships with our customers.

After establishing our first point of contact through our nursing bottles and nipples, we aim to sustain these long-term relationships through our age-up offerings. This synergy is precisely the Group’s strength, and we are confident that expanding our age-up portfolio will, in turn, contribute to further increasing our global market share for nursing bottles and nipples."

Now, regarding our regional strategy.

As emphasized throughout this presentation, our top priority markets are North America and Europe, highlighted in red on the slide. While we will certainly continue to strengthen our existing maternal products, we believe growing our nursing bottle and nipple sales within this framework is entirely feasible. This is because our product lineup offers a complete solution: ranging from expressing breast milk with our breast pumps to ultimately feeding the baby using our nursing bottles and nipples.

We will also focus our maximum efforts on Singapore, India, and Indonesia. Regarding Japan and China, we have successfully and steadily increased sales even within an environment of declining birth rates. We will continue our efforts to consistently improve operational efficiency in these markets.

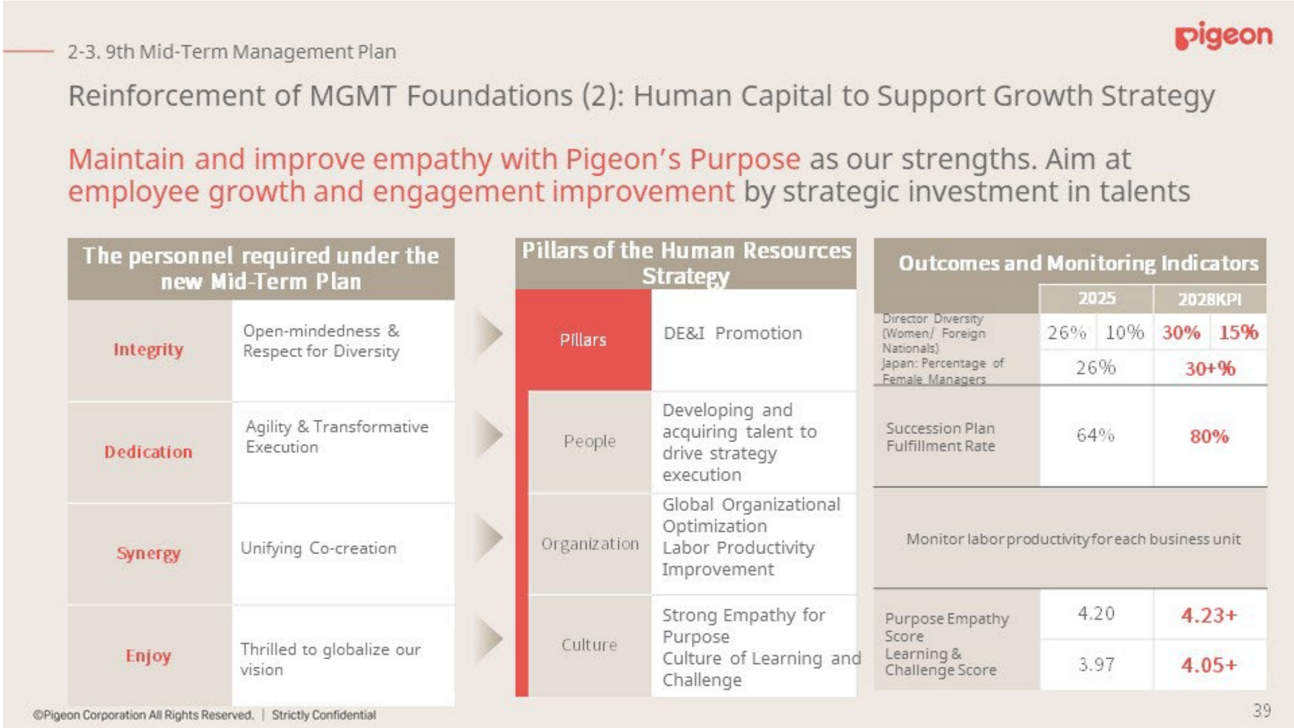


Next, I will explain our CxO system.

As part of the management reform to achieve the goals of the 9th Mid-Term Management Plan, we have operated since 2019 under the structure shown on the left, where the Global Head Office (GHO) and each Business Unit (BU) are aligned vertically. Having previously served as the Head of the China Business Unit myself, I strongly feel that these vertical functions have grown significantly and become very robust.

Starting this fiscal year, we will implement a CxO system encompassing Product & Supply Chain, Management Strategy, Finance, Human Resources & Sustainability, and Branding. We will achieve this by delegating and appointing specific functions previously held by the GHO to these CxOs.

By firmly establishing horizontal integration across the organization, we recognize that numerous opportunities for efficiency gains and cost reductions remain untapped within the company. By focusing our efforts on capturing these opportunities, we aim to achieve our target operating profit margin of 16%.



Regarding human capital.

Based on the 'Spirit of the Pigeon Way' updated in March 2025, we have outlined the core characteristics we seek in our Group's human resources, the strategic pillars of our human capital strategy, and the necessary KPIs derived from them.

In particular, regarding 'Purpose Empathy' shown at the bottom right of the slide, our latest data indicates that 88% of Pigeon employees empathize with our purpose—an exceptionally high figure. Similarly, a survey conducted at Lansinoh yielded a result of 87%. We are proud that employees across both brands strongly resonate with our purpose, demonstrating that our purpose-driven management is now fully embodied by our workforce.

By investing firmly in this area, we intend to establish an organizational system that will enable us to reliably achieve the goals of our 9th Mid-Term Management Plan.

2-3. 9th Mid-Term Management Plan

Reinforcement of MGMT Foundations (3): Steady Efforts on ESG

Update environmental KPIs to reduce our environmental impact

Environmental impact reduction

To leave a rich Earth for the future of babies born tomorrow, we will implement the "Pigeon Green Action Plan" aimed at creating a decarbonized, circular, and nature-harmonious society.

Individual Targets	Classification	2030 Year
GHG Emissions Reduction (Scope 1, 2, 3)	General	70% reduction in Scope 1 & 2 GHG emissions (absolute target compared to FY2018)
	Products	25% reduction in Scope 3 Category 1 & 12 GHG emissions (absolute target compared to FY2021)
Circular Manufacturing	PKG	60% of packaging using plant-based or recycled materials (by weight)
		100% use of reusable/recyclable/compostable packaging
	General	Waste reduction: Maintain reuse/recycling rate of 95% or above
		Reduction in water usage at manufacturing plants (1% reduction per annum per unit of sales) NEW
Sustainable Resource Use (Paper, Palm Oil)	PKG	100% use of sustainable paper in packaging
	Products	100% use of RSPO-certified palm oil in in-house produced skincare/laundry/cleaning and disinfecting products (including B&C method)
		100% ratio of certified paper and certified pulp used in dry products*1 NEW *1 Applicable to pulp, tissue, and release paper in dry products (Breast Pads, etc.)
		100% procurement traceability verification for paper and pulp used in dry products*1 NEW
		100% traceability* verification for raw materials ""palm oil, palm kernel oil, and their derivatives"" procured for in-house production NEW *Regularly obtain information from suppliers up to oil mills, and publish mill lists on the website

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Next, I will discuss our steady efforts in ESG.

For this period, we have added four new items to the 'Pigeon Green Action Plan,' which serves as our Group's core guideline for environmental and social contributions.

2-3. 9th Mid-Term Management Plan

pigeon

9th MTP: Financial Targets

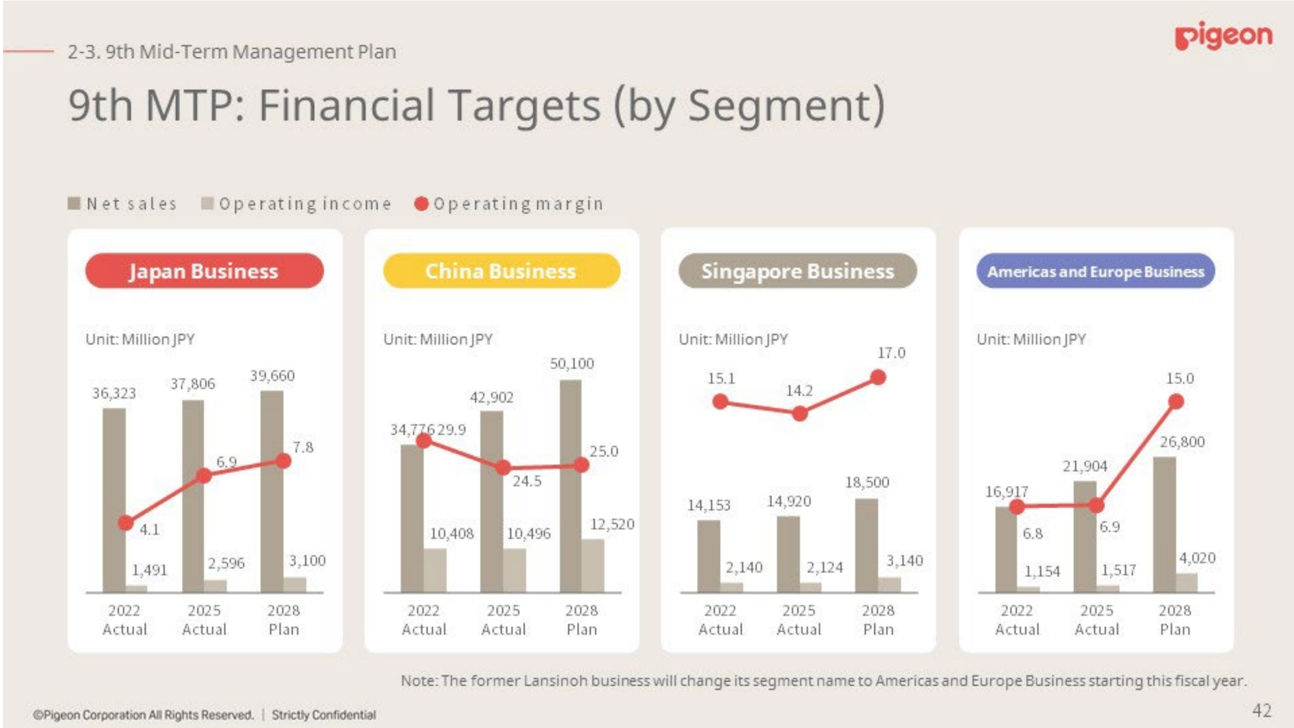
FY2028: +4.6% Net Sales CAGR, 16.0% Operating Margin

(Unit: Million JPY)	FY Dec. 2025 Actual	FY Dec. 2028 Plan
Net Sales	109,170	125,000
Cost of Sales	54,331	59,600
Gross Profit	54,839	65,400
SG&A Expenses	41,680	45,400
Operating Income	13,158	20,000
Net Income Attributable to Owners of Parent	8,570	13,160
EPS (yen)	71.65	110.02
Gross Margin	50.2%	52.3%
Operating Margin	12.1%	16.0%
ROE	10.4%	14.9%
ROIC	10.8%	15.4%
PVA	4,948	9,443

	FY2025 Actual rate	MTP rate
1 USD	149.66	150.00
1 RMB	20.82	21.50

These are the detailed quantitative targets for the 9th Mid-Term Management Plan.

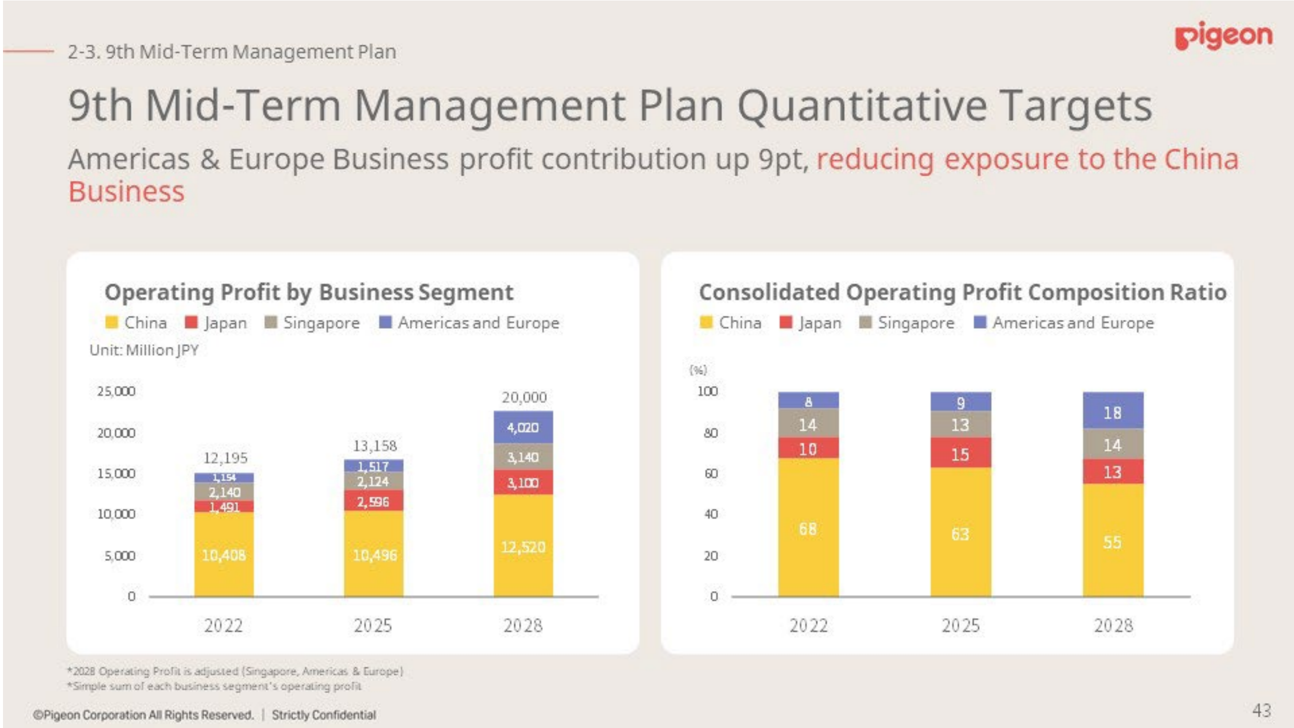
As mentioned earlier, we aim to achieve net sales of ¥125 billion, operating income of ¥20 billion, and an operating margin of 16.0% by FY2028. Regarding EPS, we target ¥110.02, compared to ¥71.65 for FY 2025. Furthermore, we aim to nearly double our PVA (Pigeon Value Added) from approximately ¥5 billion to ¥9.4 billion.



This outlines the sales and operating income plans for each segment.

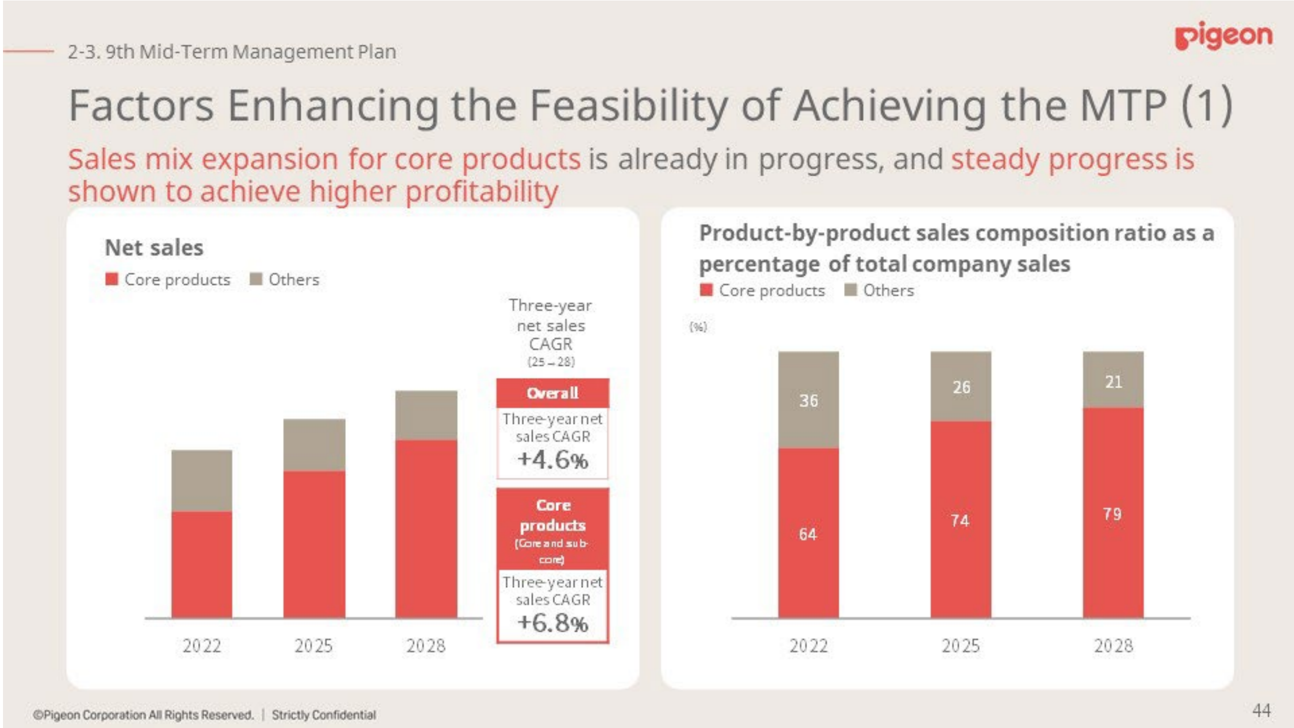
Regarding our China operations, while we will continue to invest, we recognize that the simultaneous launch of numerous new products last year resulted in excessive investment. Starting this fiscal year, we will rigorously review these investments. Our policy is to grow both sales and profit while firmly maintaining our current operating profit margin levels.

For the Americas and Europe Business, we will strive to further improve the operating profit margin by expanding the rollout of our nursing bottles and nipples.



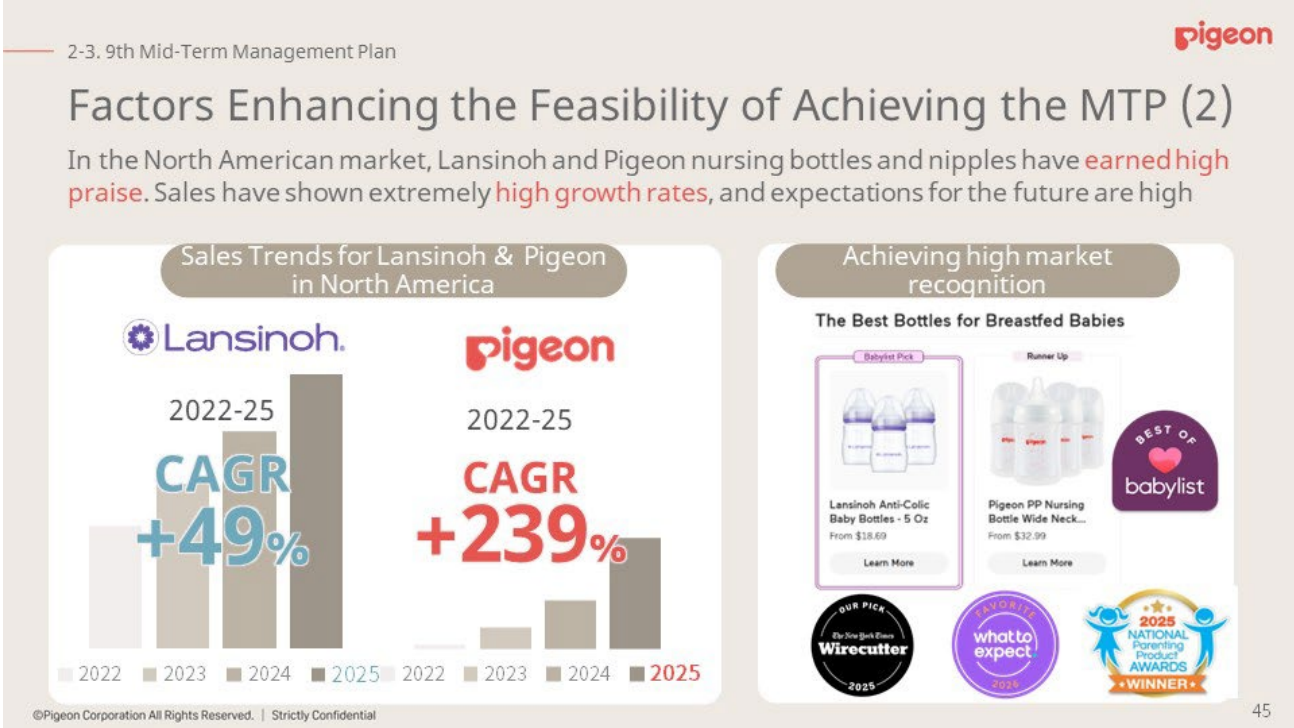
As shown in the slide titled 'Challenges of the 8th Mid-Term Management Plan,' a persistent issue since that period and beyond has been our 'dependence on the China business.

By executing this strategy, we will reduce the proportion of the China business—which accounted for nearly 70% of operating profit in FY2022—to 55% by FY2028. This is not merely about lowering the ratio of our China operations; it is a deliberate strategy to strengthen the Group's overall profit structure by ensuring our other businesses steadily build up and contribute to our consolidated operating profit.



This is the first factor enhancing the feasibility of achieving our plan.

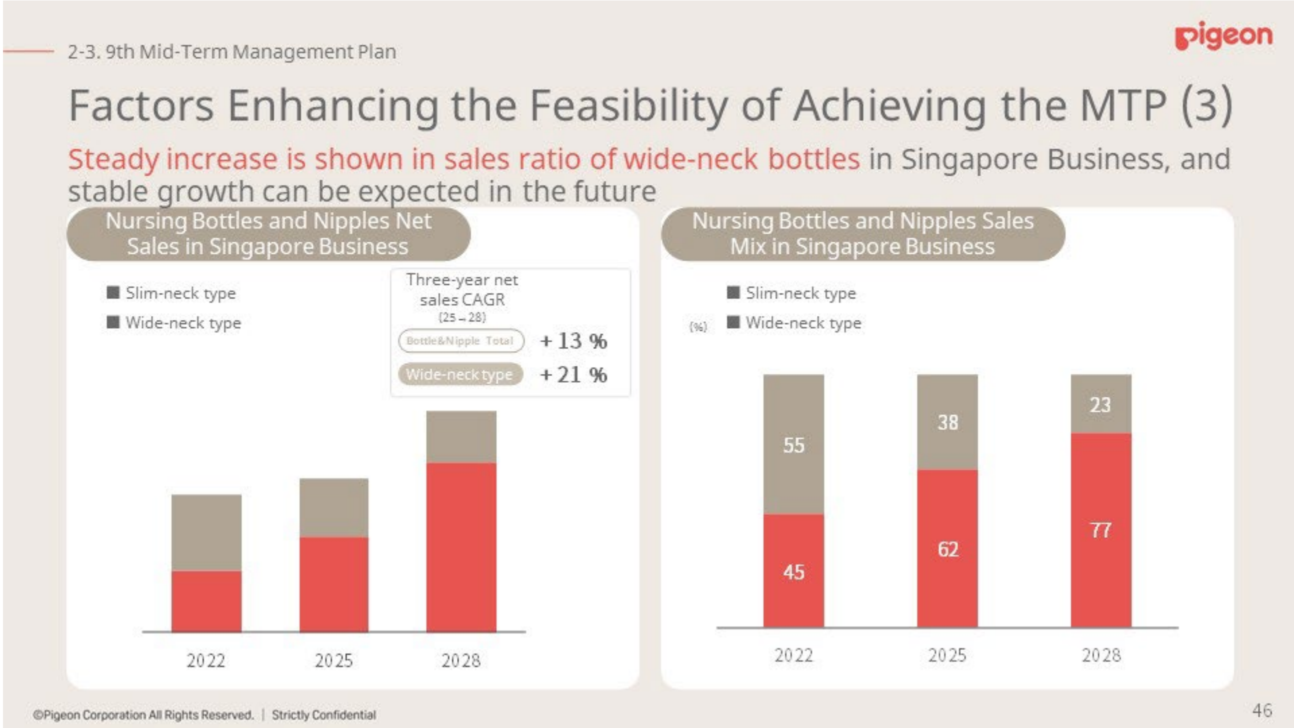
As previously outlined, we have steadily grown our eight core and sub-core product categories from FY2022 through FY2025. Moving toward FY2028, we will similarly leverage these areas of strength to ensure robust growth. By FY2028, we aim to increase the sales contribution of these core product groups to approximately 80% of total net sales, further solidifying our earnings foundation.



Let me now discuss the second factor that increases the feasibility of success: our achievements of nursing bottles and nipples in the North American market.

From FY2022 to FY2025, Lansinoh brand nursing bottles and nipples recorded high growth in North America, with a CAGR of approximately 50%. Test sales in North America also showed that the Pidgeon brand achieved a CAGR of approximately 240%, indicating that both brands can grow steadily.

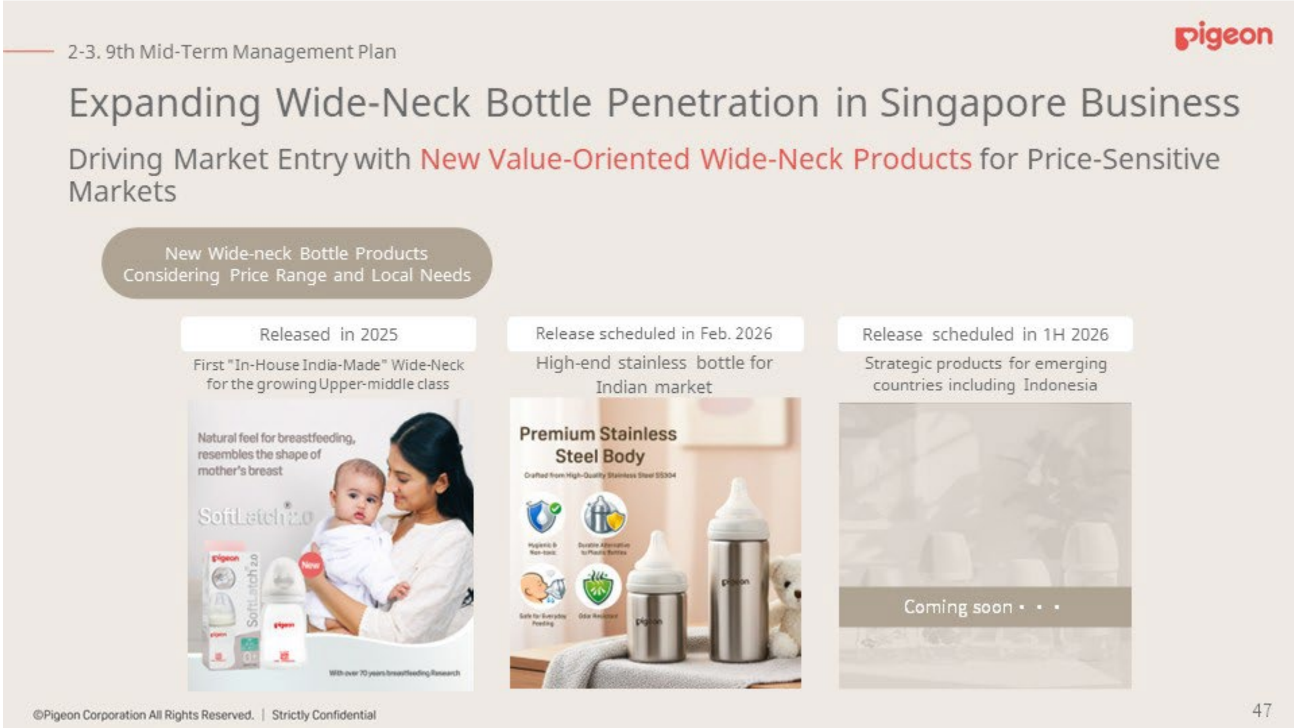
Furthermore, we feel confident that both Lansinoh and Pigeon nursing bottles and nipples have already gained market recognition in North America. Based on feedback from consumers and evaluations from distributors, we hope to further increase sales and profits and contribute to the healthy growth of more babies.



The third factor that increases our feasibility of success is the strategic progress of our Singapore business.

In this market, we have been strongly promoting the transition to wide-neck bottles. As a result, wide-neck bottles now account for approximately 62% of nursing bottle and nipple sales in our Singapore Business.

Moving forward, we are preparing to further expand our portfolio of higher-priced, higher-margin products, including new items currently under development. We aim to increase the wide-neck ratio from the current 62% to 77% by FY2028. By focusing on increasing this ratio rather than merely pursuing sales volume, we will maximize contributions to both net sales and operating profit. While this has been a challenging transition, we will reliably achieve our plan by leveraging our pipeline of new products to fulfill this strategic role.

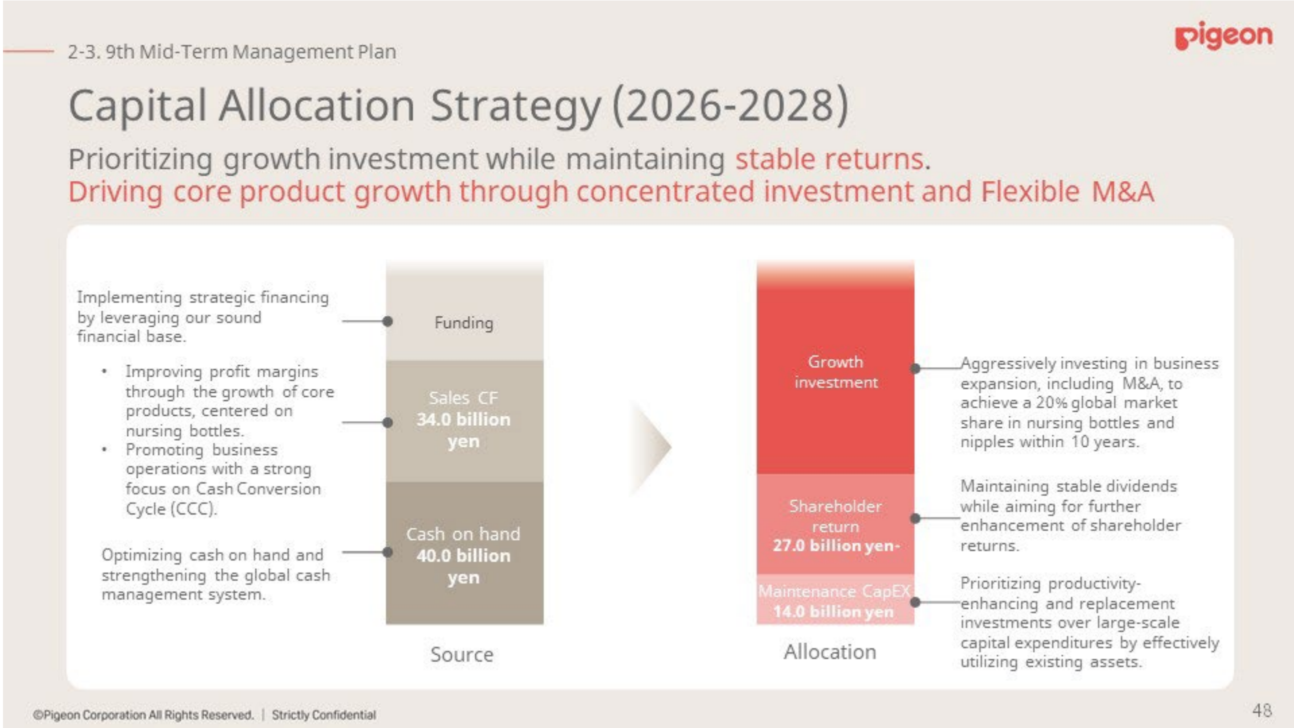


Building on the progress in Singapore, let me introduce our specific strategies for other key regions as shown on the slide.

As illustrated on the left, we launched a new wide-neck nursing bottle in the Indian market in 2025. This product offers an affordable price point and reliable functionality, specifically targeting local customers who are transitioning from traditional narrow-neck bottles.

Additionally, addressing a unique demand in India, we introduced stainless steel nursing bottles. While these were previously only available in narrow-neck types, we launched a new wide-neck version this month. The initial response has been very positive, and we are confident it will be well-received by local consumers.

Meanwhile, in Indonesia, although current sell-out remains challenging, we are set to introduce long-awaited new products. Across the Indian, Indonesian, and Singaporean markets, we will execute a strategy to drive robust growth, leveraging these new products as our core strategic assets.

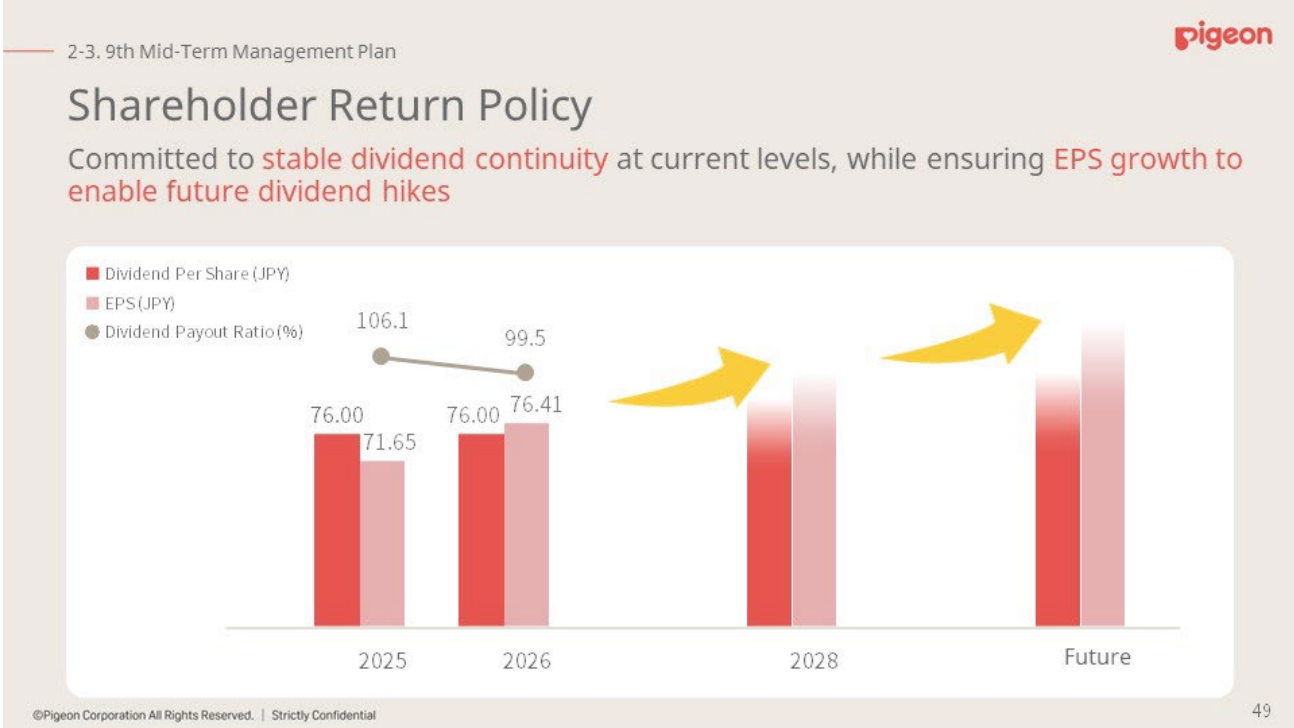


Finally, I will discuss capital allocation.

We anticipate capital expenditures of ¥14 billion. However, as shown in the allocation on the right, we do not intend to simply expand factories across all regions. Under the leadership of Mr. Itakura, our Chief Product & Supply Chain Officer (CPO/CSCO), we have identified significant opportunities through cross-functional collaboration. Our existing factory footprint, including Turkey, is already well-established, and we recognize substantial room for efficiency gains within this structure. We believe that deploying best practices from successful business units to others and driving Group-wide supply chain efficiency is akin to uncovering a major gold mine.

Regarding dividends, continuity remains our fundamental principle. For this fiscal year, we plan for the payout ratio to fall below 100% for the first time in several years. We view this as a necessary stepping stone to elevate the Group to a stage where we can achieve sustainable dividend increases in the future.

Regarding funding, our Group has long maintained a debt-free structure. We believe it would be a missed strategic opportunity not to utilize this financial flexibility. Having clearly defined our focus areas and products, M&A is now firmly within our sights. We are steadily preparing to make agile investments for future growth.



Our shareholder return policy is as I outlined earlier.

Going forward, we will place an even greater strategic emphasis on growing Earnings Per Share (EPS). While our dividend payout ratio has historically exceeded 100%, we plan to reduce it to below 100% starting from this fiscal year.

We believe it is entirely feasible to further increase the total level of returns as our profits grow. We will vigorously advance our business operations across the entire Group to achieve our target operating profit margin of 16.0%, ensuring that our growth translates directly into shareholder value.

3. Earnings Forecast for FY Dec. 2026

pigeon

FY Dec. 2026 Earnings Forecast (Group Consolidation)

Ensuring profit growth in Year 1, despite increased SG&A from strategic front-loaded investment in North America

Unit: Million JPY	FY Dec. 2025		FY Dec. 2026		
	Actual	% of Total	Earnings Forecast	% of Total	YoY change
Net Sales	109,170	100.0%	113,500	100.0%	104.0%
Cost of Sales	54,331	49.8%	55,000	48.5%	101.2%
Gross Profit	54,838	50.2%	58,500	51.5%	106.7%
SG&A Expenses	41,680	38.2%	44,600	39.3%	107.0%
Operating Income	13,158	12.1%	13,900*	12.2%	105.6%
Ordinary Income	13,681	12.5%	14,150*	12.5%	103.4%
Net Income Attributable to Owners of Parent	8,570	7.9%	9,140	8.1%	106.7%

* Not include subsidy income, etc.

[Currency rates] FY Dec. 2026 Plan: US$1 = JPY 150.00 / CNY 1 = JPY 21.50
FY Dec. 2025 Actual: US$1 = JPY 149.66 / CNY 1 = JPY 20.82

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Now, I will explain our earnings outlook for the current fiscal year.

We anticipate a 4% increase in net sales and a 7% increase in SG&A expenses compared to the previous fiscal year, marking the start of an aggressive investment phase. Regarding operating profit, we plan to secure a growth rate that exceeds our sales growth by increasing the sales ratio of high-margin products, specifically our nursing bottles and nipples.

We will initiate aggressive upfront investments starting this year, with a particular focus on the North American market. We intend to advance steadily through this year, positioning it as the vital starting point for significant future growth.

3. Earnings Forecast for FY Dec. 2026

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FY Dec. 2026 Earnings Forecast (by Segment)

Unit: Million JPY	FY Dec. 2025 Actual				FY Dec. 2026 Forecast				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
Consolidated	**109,170**	**100.0%**	**50.2%**	**13,158**	**113,500**	**100.0%**	**104.0%**	**51.5%**	**13,900**
Japan Business	37,806	34.6%	34.8%	2,596	37,900	33.4%	100.2%	35.6%	2,730
China Business	42,902	39.3%	54.4%	10,496	45,400	40.0%	105.8%	54.7%	11,200
Singapore Business	14,920	13.7%	42.7%	2,124	16,000	14.1%	107.2%	42.8%	2,290
Americas and Europe Business	21,904	20.1%	55.6%	1,517	23,200	20.4%	105.9%	57.3%	1,950
Elimination of Intersegment Transactions	(8,363)	(7.7%)	—	—	(9,000)	(7.9%)	-	-	-

[FYI] Major breakdown of Japan Business (provisional calculation using the former segments)

Unit: Million JPY	FY Dec. 2025 Actual				FY Dec. 2026 Forecast				
	Net Sales	% of Total	Gross Margin	Segment Profit	Net Sales	% of Total	YoY Change	Gross Margin	Segment Profit
Baby Care	28,787	—	38.7%	2,851	28,910	—	100.4%	39.9%	3,165
Childcare Services	3,313	—	16.0%	91	3,300	—	99.6%	16.4%	163
Health & Elder Care	3,948	—	33.5%	230	4,100	—	103.9%	32.6%	200

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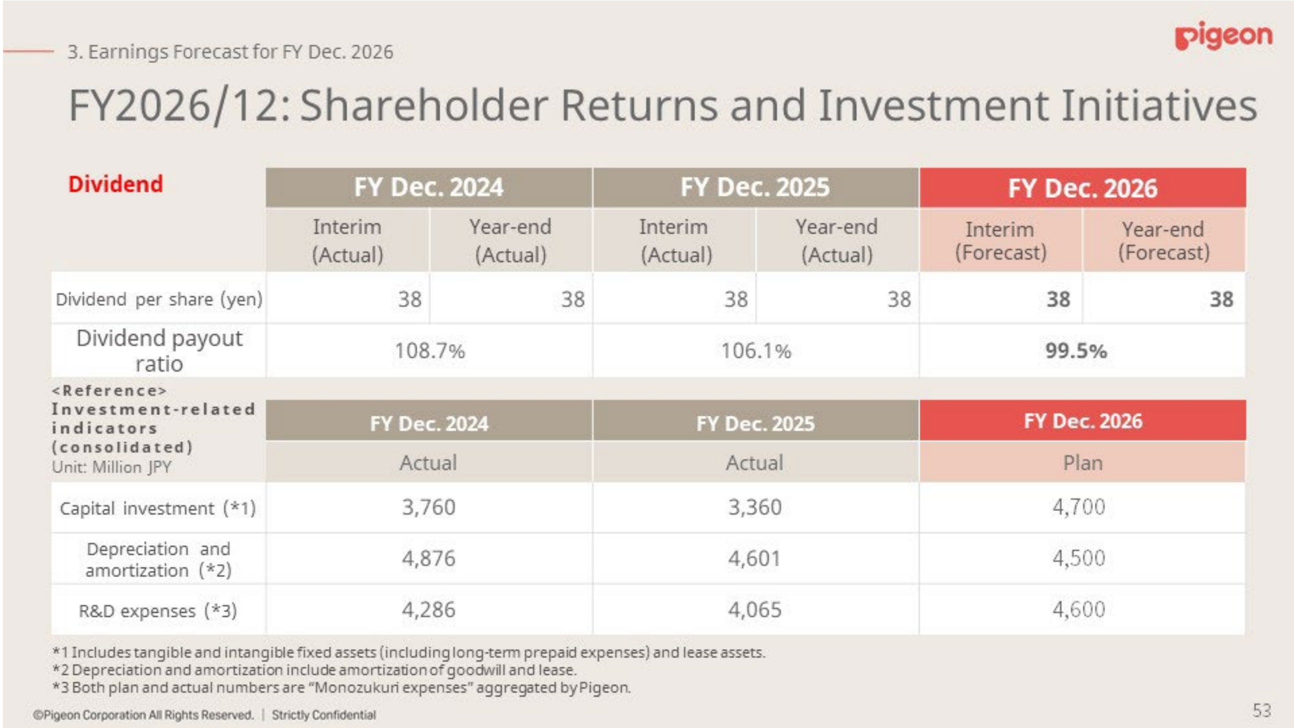
Next, I will present our plans by business segment. Please note that starting from FY2026, the Lansinoh Business will be renamed the 'Americas and Europe Business.'



3. Earnings Forecast for FY Dec. 2026

pigeon

FY2026/12: Shareholder Returns and Investment Initiatives

Dividend	FY Dec. 2024		FY Dec. 2025		FY Dec. 2026	
	Interim (Actual)	Year-end (Actual)	Interim (Actual)	Year-end (Actual)	Interim (Forecast)	Year-end (Forecast)
Dividend per share (yen)	38	38	38	38	**38**	**38**
Dividend payout ratio	108.7%		106.1%		**99.5%**	

<Reference> Investment-related indicators (consolidated) Unit: Million JPY	FY Dec. 2024	FY Dec. 2025	FY Dec. 2026
	Actual	Actual	Plan
Capital investment (*1)	3,760	3,360	4,700
Depreciation and amortization (*2)	4,876	4,601	4,500
R&D expenses (*3)	4,286	4,065	4,600

*1 Includes tangible and intangible fixed assets (including long-term prepaid expenses) and lease assets.
*2 Depreciation and amortization include amortization of goodwill and lease.
*3 Both plan and actual numbers are "Monozukuri expenses" aggregated by Pigeon.

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Regarding our dividend forecast for the current fiscal year, we plan to pay an interim dividend of 38 yen and a year-end dividend of 38 yen, totaling an annual dividend of 76 yen per share. We remain committed to providing stable shareholder returns while maintaining a strategic balance with our growth investments. This concludes my presentation.

Pigeon:

We would like to address an announcement made this morning. We have initiated a voluntary recall of our nursing care product, 'Habinurse Rakuraku Oshiri Kirei Mist.' As detailed in our press release, we expect the impact on our business performance to be minimal. The associated costs, estimated at less than 50 million yen, have already been incorporated into extraordinary losses for the fiscal year ending December 2025. We sincerely apologize for any concern this may have caused our stakeholders.