

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

Note: This "Briefing Summary" is a summary of QAs 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 |

Questions and Answers

*Questions and answers are listed by business segment.

<Financial results for the FY Dec. 2025>

[China Business]

Q. Could you share the status and your evaluation of sell-in (wholesale) and sell-out (retail sales) in mainland China during the fourth quarter (October–December), as well as changes in the competitive environment compared to the previous quarter?

A. For the fourth quarter, sell-in decreased by 5% compared to the previous quarter, while sell-out increased by 5%. The breakdown of sell-out shows an 8% increase in online sales and a 6% decrease in offline sales.

We evaluate that the "seed planting"—such as exhibitions for new products (skincare and drinking cups) and marketing investments—implemented in the third quarter bore fruit as sell-out growth in the fourth quarter. While sell-in fell below the previous year's level partly due to the high hurdle set in the same period of the previous year, we view the fact that sell-out growth is leading as a positive sign indicating a recovery in market demand and the health of channel inventory.

Q. Please tell us about the status of price competition in the Chinese market and the Company's response.

A. In the Chinese market, while we observed price competition involving increased spending and discounting by some competitors, we do not perceive this as becoming the norm. We did not follow suit in the discount competition; instead, we controlled our selling prices more strictly than competitors. By raising our selling prices year-on-year, we were able to improve our profit margins. In the current fiscal year, we will continue to address the optimization of spending and selling prices in e-commerce as a key theme.

Regarding market share, the market is becoming increasingly consolidated among the top few companies, including us. Although there are monthly fluctuations, we are maintaining or expanding our share on a quarterly and semi-annual basis. We believe our nursing bottles and nipples continue to gain support in the Chinese market, where numerous brands participate, because customers value the "functional superiority" backed by our long years of research.

<9th Mid-Term Management Plan>

[Overall]

Q. You are planning for an operating margin of 16.0% in the FY Dec. 2028, the final year of the 9th Mid-term Plan, compared to the actual result of 12.1% in the FY Dec. 2025. Could you break down the factors driving this growth?

A. We anticipate the improvement of approximately 4 percentage points to come primarily from the following two factors:

First is the improvement of the product sales mix and the review of sales promotion expenses (estimated effect: approx. +2 to 3 percentage points to operating margin). In addition to increasing the sales composition ratio of high-margin nursing bottles, we aim to boost profitability by reviewing costs and improving efficiency.

Second is the improvement of supply chain efficiency under the CxO structure (estimated effect: approx. +1 to 2 percentage points to operating margin). Under the newly established CxO structure, led by the Chief Product & Supply Chain Officer (CPO/CSCO), we plan to generate the remaining improvement by optimizing the global supply chain cross-functionally and promoting operational efficiency.

Q. Was the planning process top-down or bottom-up?

A. The plan for FY Dec. 2026 is constructed based on a detailed accumulation of figures from each business division, meaning it is essentially bottom-up based.

For FY Dec. 2027 and beyond, while based on bottom-up figures, the plan incorporates management initiatives such as global supply chain efficiency led by the newly launched CxO structure and the creation of cross-business synergies.

Q. The quantitative targets for the Americas and Europe business for the FY Dec. 2028 seem challenging. What is your view on this?

A. For the Americas and Europe business, the primary driver is the growth of nursing bottles, which is the core of the strategy for this Mid-Term Management Plan. In addition to improved profitability driven by the growth of high-value-added products, we also expect contributions from the production side through improved factory utilization rates.

Furthermore, we know there is ample room for efficiency improvements in global development, procurement, and production structures led by the CPO/CSCO under the CxO structure, and we have incorporated these effects to a certain extent.

[Americas and Europe Business]

Q. The 9th Mid-Term Management Plan targets ambitious growth in Europe and the Americas by 2028. Could you discuss the feasibility of these targets and the specific strategic pillars that will drive this expansion?

A. Particularly in North America, we will clarify the roles of both the Pigeon and Lansinoh brands and execute strategies tailored to each channel. The distribution system in the U.S. is relatively simple. Under the Pigeon brand, we will intensively sell nursing bottles—centered on the latest wide-neck types and high-price range glass bottles—mainly through e-commerce. Meanwhile, under the Lansinoh brand, we will sell highly price-competitive products not only through e-commerce but also to major retailers with physical stores. The

Lansinoh brand is expanding its recognition as a brand for mothers, centered on breast pumps, and its nursing bottles have a unique strength as devices for feeding expressed breast milk to babies.

The biggest driver for profit growth is increasing the sales composition ratio of high-margin nursing bottles. We will proactively invest to gain market share starting from the first year of the Mid-Term Management Plan (2026). Additionally, we will thoroughly improve profitability, including through the efficiency of operations within the Lansinoh Group and the optimization of Lansinoh's China entity operations.

Q. What is the specific market share target for nursing bottles in North America?

A. We aim to achieve a market share of approximately 15% and secure the No. 3 position in 10 years. We envision increasing our share by more than 1 percentage point each year.

Q. What is your forecast for the growth rate of the nursing bottle market in overseas markets going forward?

A. While the number of births in China decreased by 17% year-on-year in 2025, there were many new entrants actively rolling out high-unit-price products, resulting in a slight increase in the overall nursing bottle market in 2025. We believe there is sufficient room for price revisions by rolling out high-value-added products, including our own, and there is a strong possibility that the market will maintain its size or expand.

We recognize the North American nursing bottle market as an attractive market with a large scale and a growth rate exceeding that of China. Currently, products made of PP (polypropylene) material account for the majority, but as in the Chinese market, if we can grow high-unit-price products made of PPSU (polyphenylsulfone) or glass—areas where we have strengths—we believe there is room for unit price improvement and significant market share gains.

[China Business]

Q. What are the future growth strategy for the China Business and the share targets for nursing bottles and skincare?

A. Regarding nursing bottles, our market share has hovered around 40–45% in recent years. We aim to achieve a 50% share by differentiating ourselves from competitors, particularly by focusing on nipple functionality. We will continue to promote the development of new products, appeal to functionality, and introduce high-value-added parts to increase unit prices and improve profit margins.

Regarding skincare, we will expand our lineup centered on Momo-no-ha (Peach Leaves) series, which has a high in-house production ratio. We have been actively expanding this series, and sales are strong. In addition, we will firmly appeal the functions and efficacy of our products to customers through product development and promotion systems based on

evidence utilizing 3D skin models and other technologies. Our skincare market share is currently around 8% in the cleansing category, but we believe it is fully possible to achieve a double-digit share.

[Singapore Business]

Q. Please tell us about the future growth image and strategy for the Singapore Business.

A. To date, we have promoted a shift to wide-neck bottles through nursing bottle rebranding aimed at improving profitability in markets such as Indonesia and India. Associated with this, there was a phenomenon where the decline in sales of slim-neck products temporarily outpaced the expansion of wide-neck products, but recently the wide-neck shift strategy has begun to yield results. In developed countries within the jurisdiction, we will thoroughly strengthen sales of wide-neck nursing bottles. In emerging countries, we will introduce wide-neck products while managing the sales of slim-neck types so they do not drop more than necessary, thereby achieving growth in both sales and profit.

<Financial Forecast for the FY Dec. 2026>

[Overall]

Q. Could you elaborate on the potential upside and downside risks factored into this year's guidance? Specifically, how have you accounted for external variables such as potential tariffs, competitive pricing pressures in China, and strategic upfront investments in North America?"

A. Regarding the North American market, we are considering upfront investments in various growth costs, including advertising expenses aimed at expanding brand recognition for nursing bottles from 2026, and we will execute these while being mindful of the bottom line. We will optimize and utilize the digital marketing and e-commerce strategy expertise cultivated in China to suit local market characteristics. We will also make growth investments in Europe, but North America will take precedence. Our policy is to achieve both expanding recognition of nursing bottles and improving profit margins through sales expansion at a high level.

Regarding the impact of tariffs, the impact on the results for the FY Dec. 2025 was approximately 400–500 million yen. While this impact was concentrated in the second half of that fiscal year, it had been partially mitigated during the first half by utilizing on-hand inventory.

In the current fiscal year (FY Dec. 2026), if no specific measures are taken, there is a possibility of an impact of just under 1 billion yen. However, we will work to minimize the impact by taking measures such as restructuring the supply chain and appropriate price pass-throughs.

In the Chinese market, competitors are intensifying their offensive with angles such as "weaning." However, we will maintain our superiority through the following two axes: First, by leveraging our high market share in the product domain for newborns, we will promote a natural transition to age-up products (drinking cups, etc.) to expand LTV (Lifetime Value) and differentiate products through functional improvements. Second, we will re-emphasize to the market our product development capabilities, derived from nearly 70 years of R&D history and thorough monitoring activities aimed at comfortable nursing for babies, to make our differentiation from competitors even more solid.

Q. Capital expenditure and R&D expenses are trending upward. Could you provide a breakdown of these costs?

A. While foreign exchange effects (the weaker yen) are a contributing factor, the plan does not include capital expenditures for large-scale factory construction. The primary investments are allocated to molds, production efficiency improvements, and growth initiatives for nursing bottles and skincare in China. R&D expenses are mainly driven by skincare development in China and breast pump development for the North American market.

[Japan Business]

Q. Why is operating income projected to grow faster than net sales in the plan for the FY Dec. 2026?

A. The Japan Business continues to face headwinds, including a challenging cost environment due to the weak yen and the declining birth rate. Despite this, in the FY Dec. 2025, profit growth outpaced sales growth, driven primarily by an improved sales mix—specifically the expansion of high-margin products such as baby care appliances. For FY Dec. 2026 and under the new Mid-Term Management Plan, we will continue our efforts to improve the operating margin and prioritize the steady achievement of our operating income target.

####