



9th Medium-Term Management Plan FY Dec. 2026 (70th) - FY Dec. 2028 (72nd)

Pigeon Corporation

Ryo Yano

President and CEO

February 13, 2026

Securities Code: 7956

Celebrate babies the way they are



Agenda

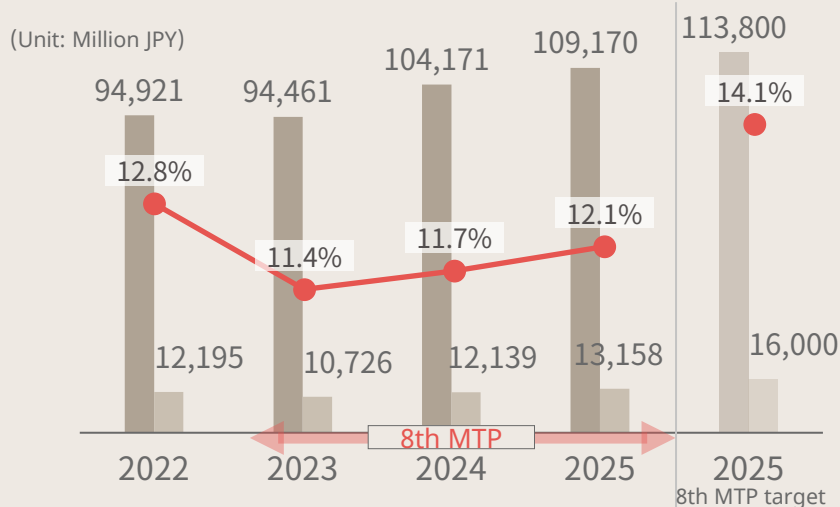
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**1. 8th Mid-Term Management Plan
(2023 - 2025):
Summary and Challenges**

8th Mid-Term Management Plan Summary

While the financial target was not achieved due to the impact of ALPS treated water (China business) and inventory adjustment (Singapore business) in the first fiscal year, operating income (%) bottomed out in 2023 as a result of new product development and the expansion of business deployment areas



Brand strategies

- Rebranding of Bonyu-Jikkan, a core product in Singapore business region, completed.
- Promoting unique activities (e.g. “Lesson for Learning About Babies”)

Product strategies

- Sales of core products remained solid.
- Sales target was met in the new area (10.0 billion JPY).

Regional strategy

- Japan/Lansinoh remained steady.
- ✗ China faced decline in profit margins due to the impact of ALPS treated water and intensified competition.
- ✗ Inventories have been adjusted since 2022 and narrow-neck nursing bottles decreased in Singapore.

ESG

- Non-financial KPIs were achieved.
- External evaluations improved mainly through progress in our initiatives and enhanced disclosure.

EPS (yen)	71.72	62.06	70.00	71.65	86.92
ROE*	11.4%	9.6%	10.5%	10.4%	14.0%+
ROIC*	10.9%	9.3%	10.3%	10.8%	15.0%+
PVA* (Million JPY)	4,617	3,480	4,353	4,948	7,000+
CCC (days)	119.2	122.9	116.1	126.5	-

*ROE: Calculated with equity being the average of the beginning and ending balances
 *ROIC: NOPAT/Invested capital, calculated with a tax rate of 30.0% and invested capital being the average of the beginning and ending balances
 **PVA: Pigeon Value Added A unique management indicator based on economic value added, calculated as NOPAT – capital cost (Invested capital × WACC)

8th MTP Results (1): Solid Growth in Core Products

Nursing bottles/nipples and breast pumps drove **over 10% sales growth in core products**

Core products



Nursing bottles/nipples



Skincare



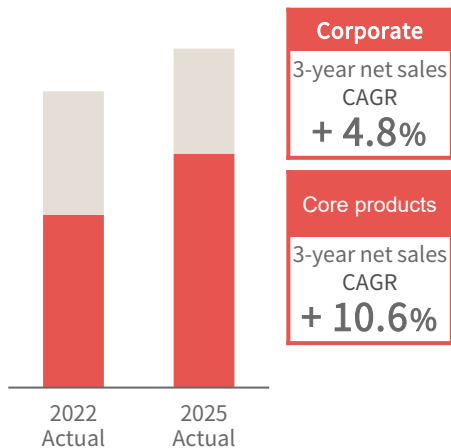
Breast pumps



Oral care

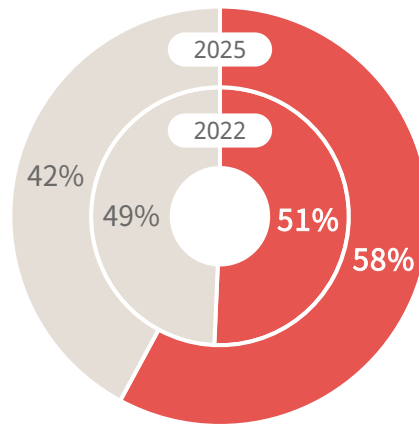
Sales growth of core products

■ Core products ■ Others



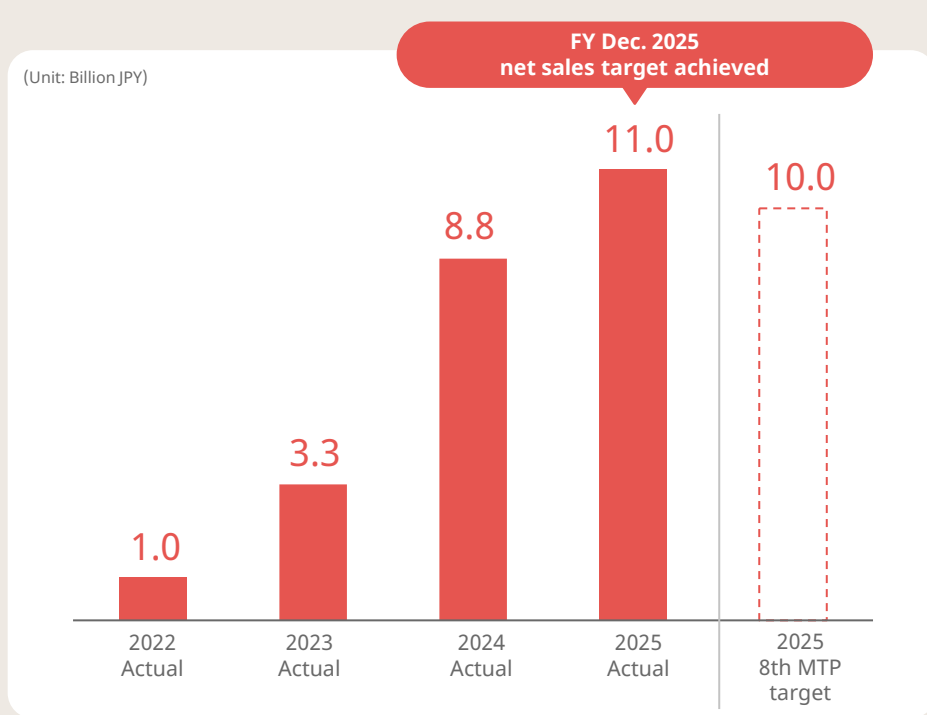
Sales mix of core products

■ Core products ■ Others



8th MTP Results (2): Developing New Areas

New areas including women’s care, baby care appliances, drinking cups grew steadily



2022-2025 CAGR
+45.7%

Women’s care

2022-2025 CAGR
+112.1%

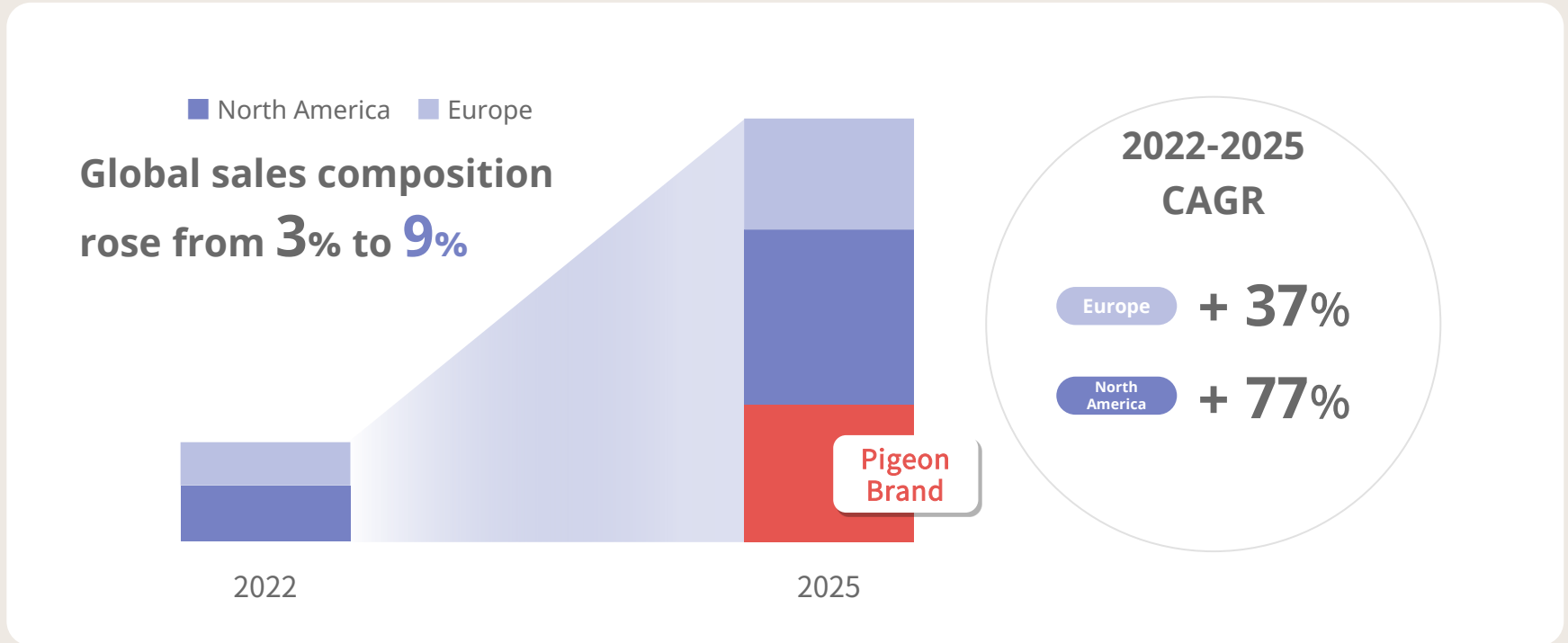
Others
(e.g. baby care appliances)

2022-2025 CAGR
+133.7%

Age-up
(e.g. drinking cups)

8th MTP Results (3): Expansion of our Target Market

Sales of nursing bottles/nipples grew fourfold in North America and Europe: Its global sales composition increased from 3% to 9%



8th MTP Results (4): Promoting Group-wide ESG Initiatives

Promoting E, S, and G initiatives to mitigate **medium-to-long-term business risks**

【Activity Results / Key Achievements】

- ① Became a signatory to the United Nations Global Compact (UNGC) in 2023; promoting initiatives to respect human rights.
- ② Formulated the "Pigeon Green Action Plan" and launched group-wide initiatives to reduce environmental impact (since 2023).
- ③ The Pigeon Group's 2030 GHG emissions reduction targets were certified by SBTi as Science Based Targets (SBT) in 2025.
- ④ Improved ratings from ESG assessment institutions; included in all ESG indices used by GPIF (as of the end of 2025).

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

8th MTP Challenges

Earnings volatility driven by **high exposure to the China Business**

High concentration of operating income
in the China Business

Erosion of profit margins
in the China Business

Stagnated growth
in consolidated operating income

Delayed recovery in stock price

2. What We Aim to Achieve in the Long Term

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What We Aim to Achieve in the Long Term

-We will create and promote “baby-friendly environment” for babies around the world-

Offering nursing bottles that support a baby’s very first sip and a variety of other products and services, we have thoughtfully tailored to babies’ needs in pursuit of our corporate vision of love.

We aim to make the world a more baby-friendly place by creating new values that support the healthy development of as many babies as possible in more countries and regions, generating synergies with partners who share our aspirations.

By furthering our commitment to understanding and addressing babies’ unique needs, we will not simply provide products and services but take the initiative in addressing environmental, social, and other challenges that surround them.

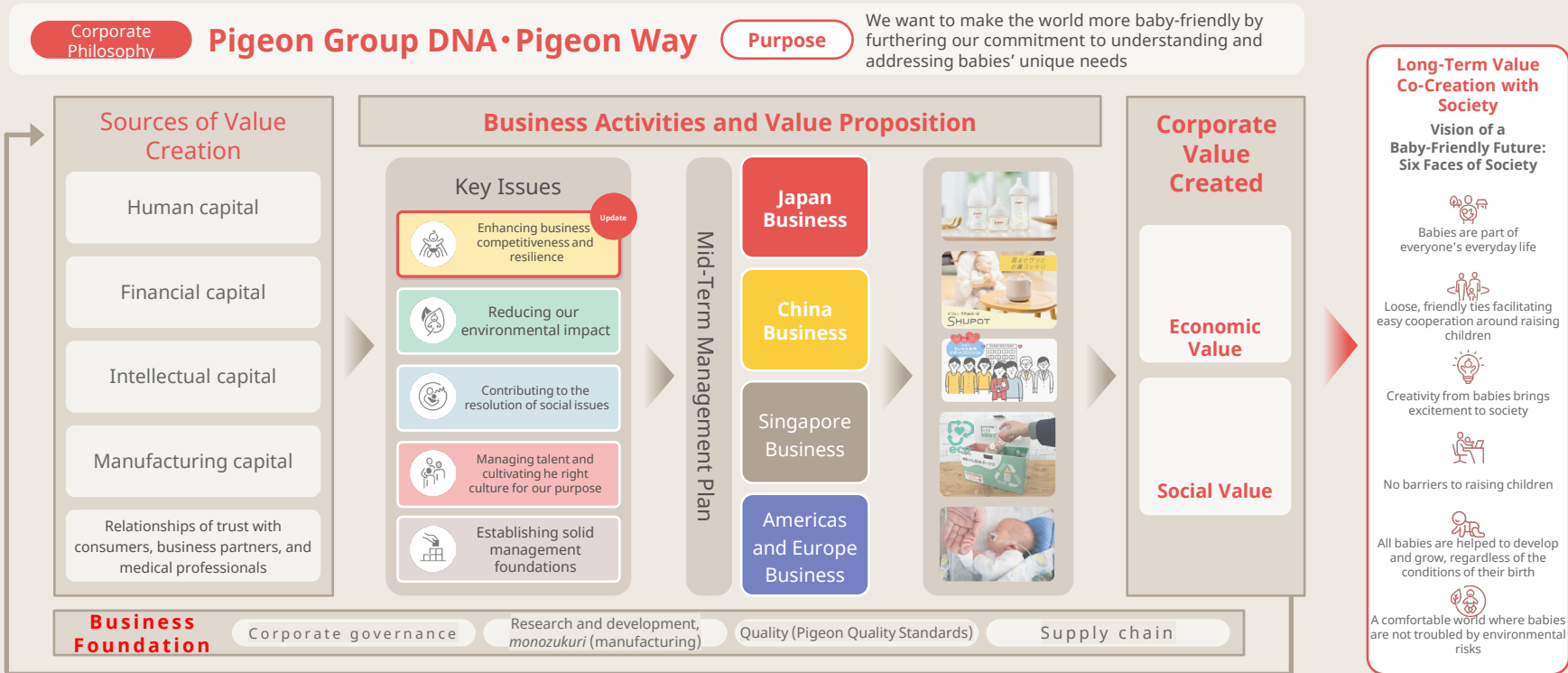
To stay committed to creating a baby-friendly future for babies, we will continue to operate our business and grow as an entity indispensable to society.



2. What We Aim to Achieve in the Long Term

Value-Creation Story

Update **key priorities** in response to changes in the business environment



2. What We Aim to Achieve in the Long Term

Key Issues for Pigeon over the Mid and Long-Term (Materiality)

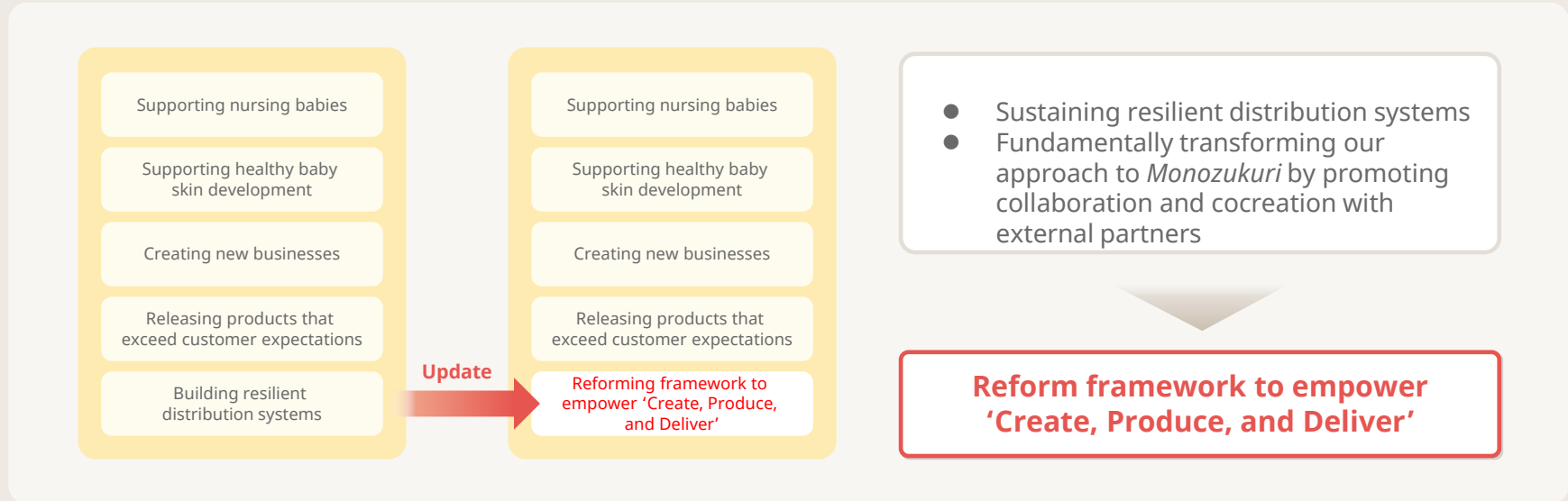
Individual Issues have been updated



Key Issue
Enhancing business competitiveness and resilience

What We Aim to Achieve

Building resilient distribution systems that can empower 'Create, Produce, and Deliver,' expand our corporate value over the medium to long term, and become essential to society.



2. What We Aim to Achieve in the Long Term

Basic Direction of Business Strategies: Becoming Unrivaled No.1 in Global Share for Nursing Bottles/Nipples

As a step toward sustainable growth, we aim to double the **global market share of nursing bottles/nipples to 20%**

Strength/Asset

Research on babies and moms for 60 years or more

High-quality products/ powerful sales network

Strong brand power

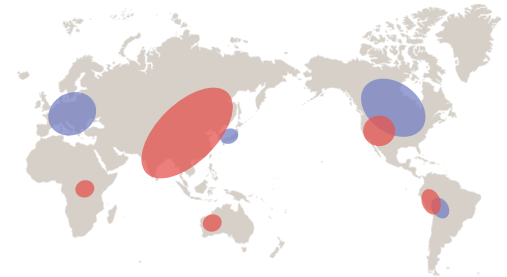
Talent and corporate culture that resonate with Purpose

Solid management foundation and strong capital base

Growth Potential

Regions where
Pigeon/Lansinoh
brands currently
operate

● pigeon
● Lansinoh.



pigeon  **Lansinoh.** Both brands enter **untapped areas and product segments**

Pigeon (for babies) and Lansinoh (for moms) will work synergies to **secure an unparalleled position** in the nursing bottles/nipples market, delivering the world's top-tier quality and profitability, and **fuel growth of core product lineup**

2. What We Aim to Achieve in the Long Term

Why We Focus on Nursing Bottles/Nipples (1)

Products with the highest **competitiveness and profitability**, which form the source of **strong brand power**



Competitive advantages, brand trust, and high profitability brought by long-term research + production technologies

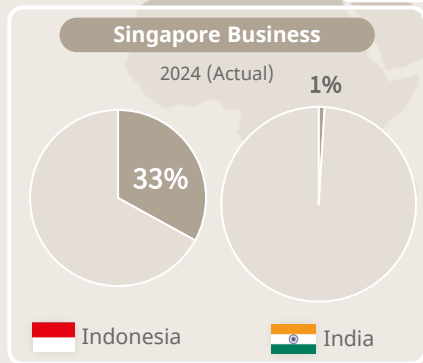
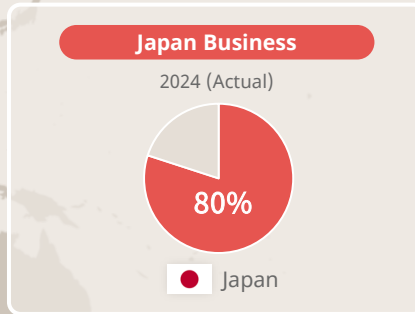
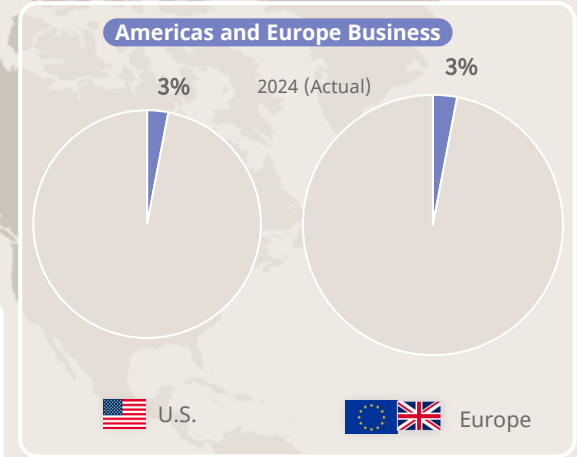
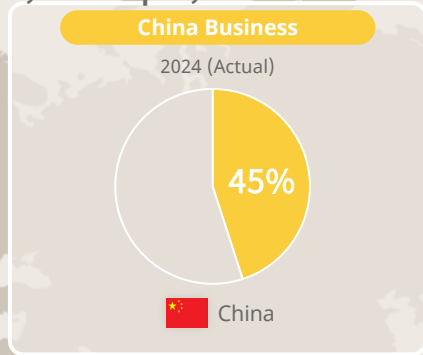
Life-sustaining essentials Starter products for childcare

Nursing bottles' potential as the core product from which the brand can expand into adjacent products.

Even as the current global No.1 brand, our market share remains around 10%, leaving significant room for growth. By focusing our resources on **nursing bottles**, our corporate **DNA**, we will build a solid foundation for continued global growth.

Why We Focus on Nursing Bottles/Nipples (2)

Significant "white space" opportunities (growth potential) in massive markets such as North America, Europe, and India

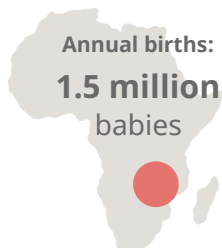


Our Market Share in the Bottle and Nipple Market by Country*

Why We Focus on Nursing Bottles/Nipples (3)

Our firm conviction that babies worldwide are waiting for Pigeon and Lansinoh nursing bottles/nipples products

A message from Pigeon Kenya



One day in 2024:

“Can you deliver another WN3 immediately?” A mom of a week-old baby sent us a video with a message enclosed on the same day after the product was delivered.



I have never imagined it.
My baby drank out of a nursing bottle!
It was simply amazing!

Complimentary comments on Lansinoh products

★★★★★ · 4 months ago
Life saver!!
My daughter was choking on the flow of every other bottle nipple I tried and wouldn't be able to latch right due to her lip tie! These nipples not only pass the triangle test but she has never latched and ate better until I bought these! I'm so so thankful cause now my baby can take a bottle happily without choking and with little to no gas at all! I will be buying more for future babies!

★★★★★ · 8 months ago
Love!
My breastfed baby loves these! So glad I could find one that my baby will take. Definitely recommend!

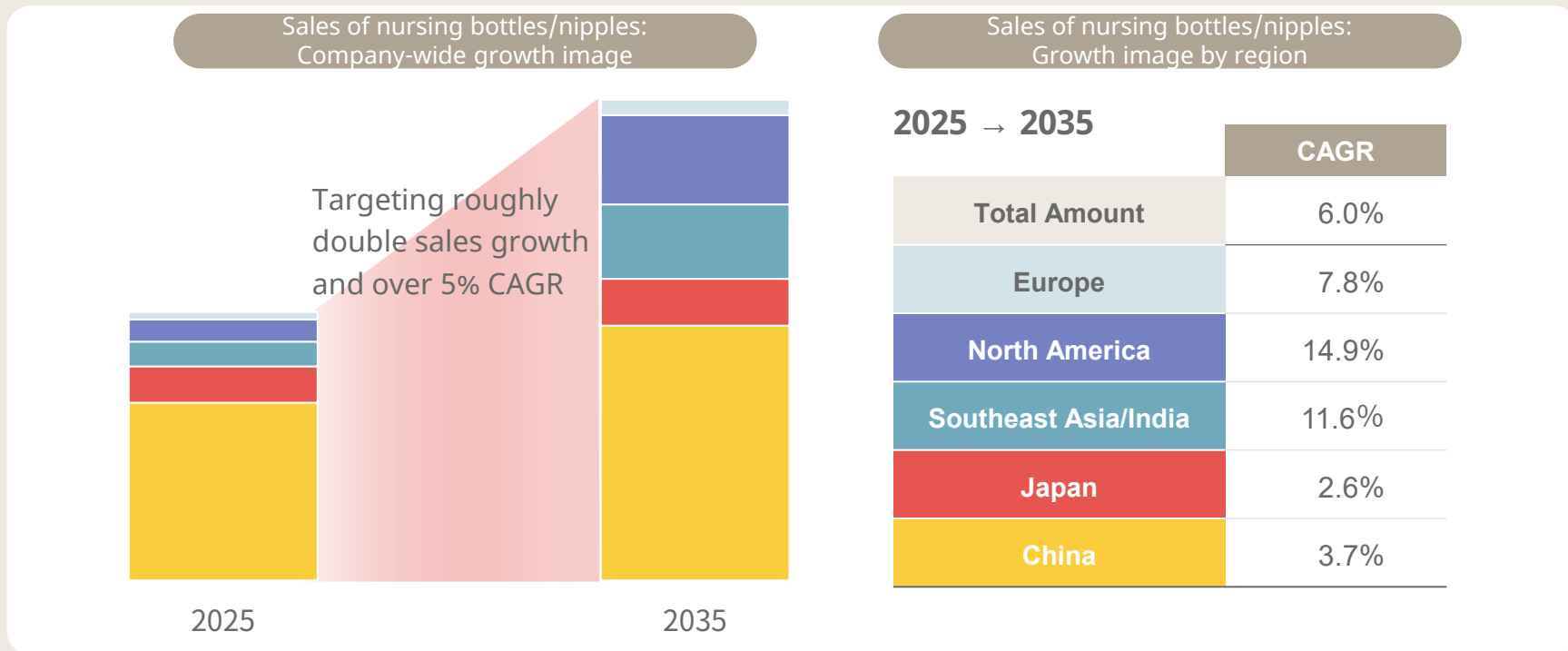
Complimentary comments on Pigeon products

The Pigeon wide-neck glass baby bottles have been an excellent purchase. Their aerodynamic shape makes them easy to hold, and the glass material feels sturdy and high-quality. The included SS (0.0 ft+) nipples have a natural, gentle feel, which is great for newborns and helps with a smooth feeding experience. I really appreciate how easy they are to clean —the wide neck makes a big difference. They also handle heat well, so sterilizing them is quick and hassle-free. The anti-colic design is another great feature that helps keep feedings calmer and more comfortable.

I love these glass bottles! Using plastic bottles wasn't sitting right with me so I decided to purchase these and I would absolutely urge anyone looking to get glass bottles to give these ones a try. I was having trouble latching my baby while bf so I exclusively pumped for the first month of his life. I like that there is an indicator line telling you where your baby's mouth should be latching. Lo and behold, I tried to bf again and these bottles trained my baby how to latch...I mean it was almost instantaneous, I cried tears of joy. Get these bottles!!!

2. What We Aim to Achieve in the Long Term

Goal to Achieve in 10 Years:
 To Double the Sales of Nursing Bottles/Nipples from the 2025 Level
 While also **considering growth through M&A**, we aim to achieve our goals



Five Strategic Moves to Maximize Corporate Value

- **Rebuilding our management foundation** to pass on our care for babies into the future -

Strengthening execution capabilities through CXO system

Cross-functional collaboration by CxOs to enhance capabilities, accelerate decision-making, and strengthen governance across all business units

Enhancing our financial management framework

Enhancing managerial judgment accuracy by building a data management system that emphasizes real-time responsiveness

Restructuring regional strategies

Restructuring of strategy for the high-growth potential North American market. And renaming of the Lansinoh business to 'Americas & Europe Business' with a view to capturing market share for both Pigeon and Lansinoh

Accelerating business by leveraging external expertise

Maximizing growth speed by leveraging external resources through collaboration with JAC*

*Japan Activation Capital, Inc.

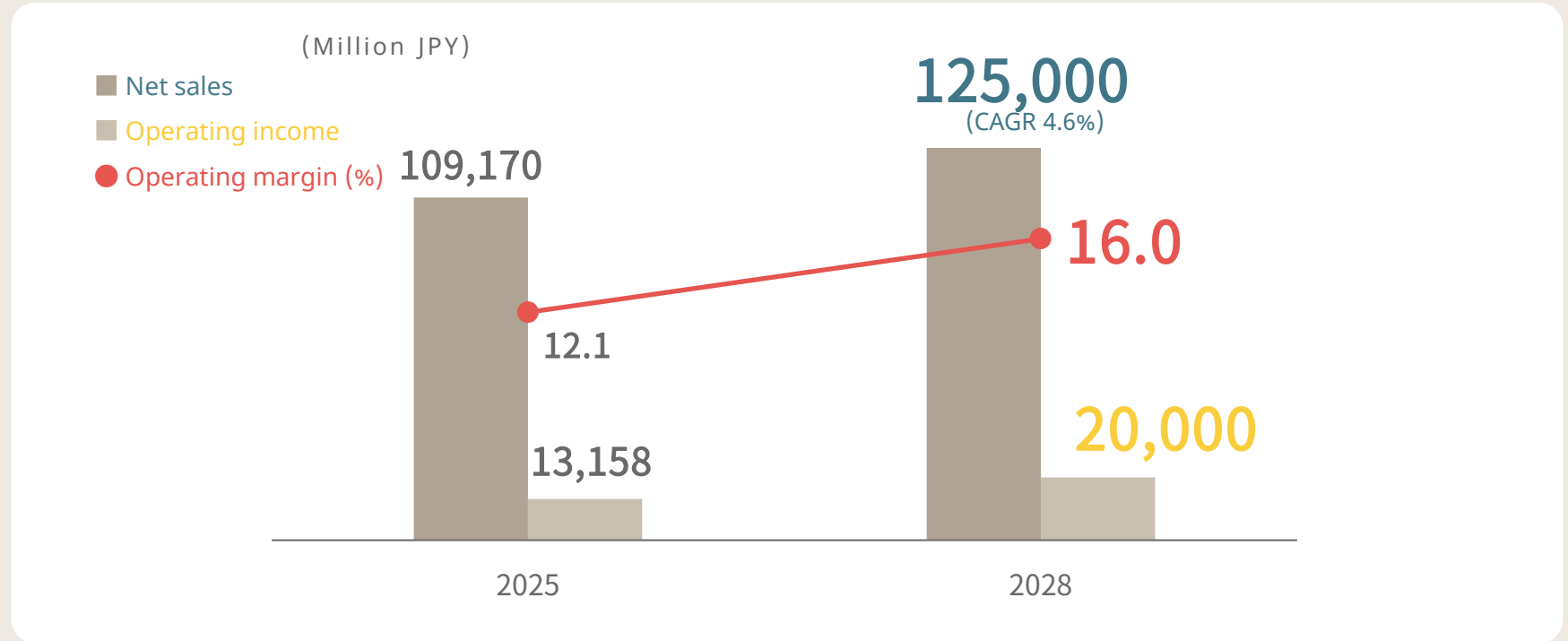
Firmly committed to stock price and profitability

Transforming minds by instilling awareness to enhance profitability and corporate value

3. 9th Mid-Term Management Plan

Financial Targets of the 9th Mid-Term Management Plan

Aiming to achieve both sales growth and enhanced profitability, **we target net sales of ¥125 billion, operating profit of ¥20 billion, and an operating margin of 16%**



Basic Direction of the 9th Mid-Term Management Plan

Aiming to achieve **sustained growth with profitability**

Financial Targets

Net Sales:

125.0 bil. yen

Operating

Income:

20.0 bil. Yen

**(Operating Margin
16.0%)**

Product strategy

- Accelerating growth of core product groups centered on nursing bottles (core products, sub-core products)
- LTV* expansion with Age-up products

Regional strategy

- Accelerate growth in our top-priority Americas and Europe regions, as well as our high-potential Singapore business
- Secure group profitability through stable growth in our Japan and China businesses

Reinforcement of management foundations and steady implementation of ESG

- Management structures promoted from the regional and functional aspects
- ESG to support growth strategies

Product Strategy (1): Growth Driver in the 9th MTP

Focus on **Core products** and newly defined **Sub-core products***

*Product groups outside core products with high earnings contribution and new product groups developed under the 8th Mid-Term Plan

Core products



Nursing bottles /
Nipples



Skincare



Breast pumps



Oral care

Sub-core products



Women's care*1



Drinking cups



Baby care appliances



Baby foods

Product Strategy (2): Expand LTV with Age-up Products

Position the **four product categories** (skincare, oral care, drinking bottles, and foods and beverages) as those **expected for Age-up** (for toddlers and beyond) and **extend their scope to kids** in order to expand our Lifetime Value



Regional Strategy: Key Countries

Position **the Americas and Europe** as top-priority countries as they represent white spaces for our nursing bottles and nipples.

Continue to commit strengthening businesses in Asian region including Japan and China

Americas and Europe Business

Top priority



Increase in market share of nursing bottles and nipples

Singapore Business



Higher growth than ever before with India's contribution to revenue and continuous share expansion of wide-neck bottles

Japan Business



Stable growth of sales centered on core and sub-core products

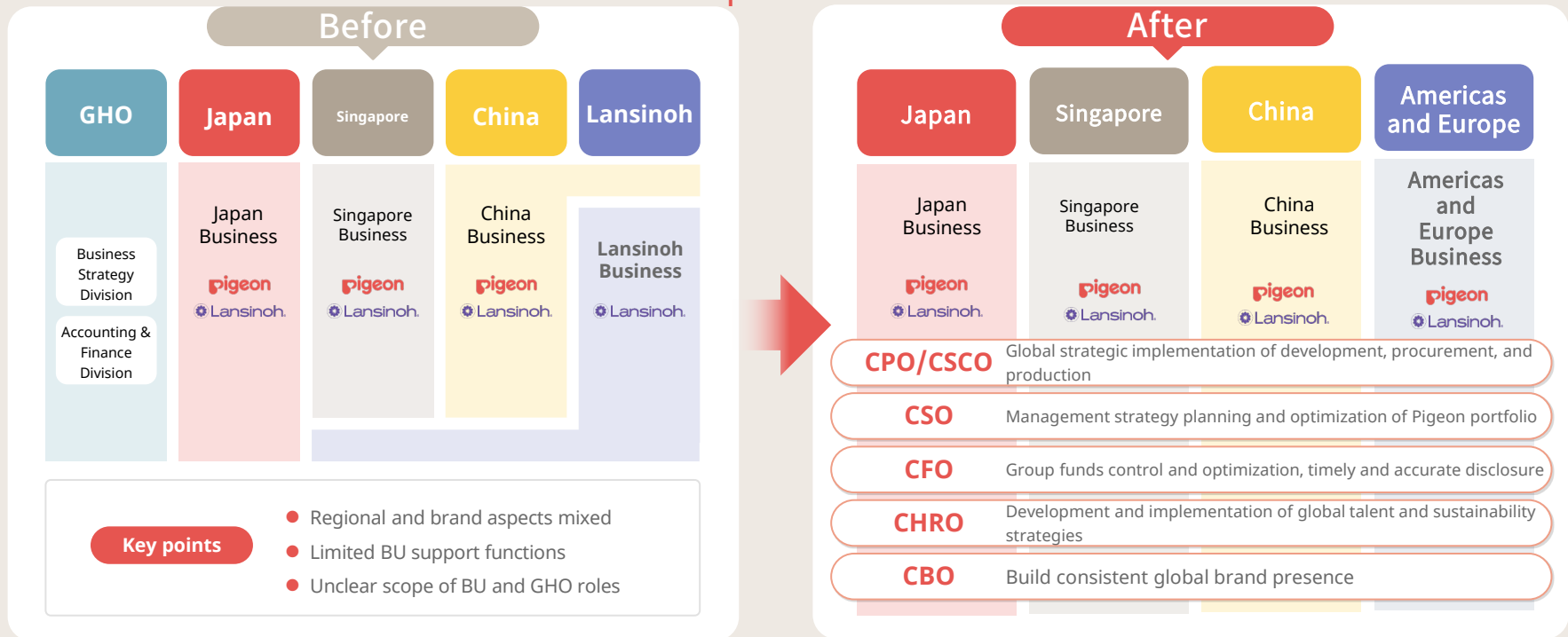
China Business



Increase in market share of nursing bottles and nipples as well as stable growth of sales for skincare products and drinking cups

Reinforcement of MGMT Foundations (1): MGMT Reformation to Support MTP

Promote management structures from the regional and functional aspects. Rename Lansinoh Business to **Americas and Europe Business**



Reinforcement of MGMT Foundations (2): Human Capital to Support Growth Strategy

Maintain and improve empathy with Pigeon's Purpose as our strengths. Aim at employee growth and engagement improvement by strategic investment in talents

The personnel required under the new Mid-Term Plan	
Integrity	Open-mindedness & Respect for Diversity
Dedication	Agility & Transformative Execution
Synergy	Unifying Co-creation
Enjoy	Thrilled to globalize our vision

Pillars of the Human Resources Strategy	
Pillars	DE&I Promotion
People	Developing and acquiring talent to drive strategy execution
Organization	Global Organizational Optimization Labor Productivity Improvement
Culture	Strong Empathy for Purpose Culture of Learning and Challenge

Outcomes and Monitoring Indicators				
	2025		2028KPI	
Director Diversity (Women/ Foreign Nationals) Japan: Percentage of Female Managers	26%	10%	30%	15%
	26%		30+%	
Succession Plan Fulfillment Rate	64%		80%	
Monitor labor productivity for each business unit				
Purpose Empathy Score Learning & Challenge Score	4.20		4.23+	
	3.97		4.05+	

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

9th MTP: Financial Targets

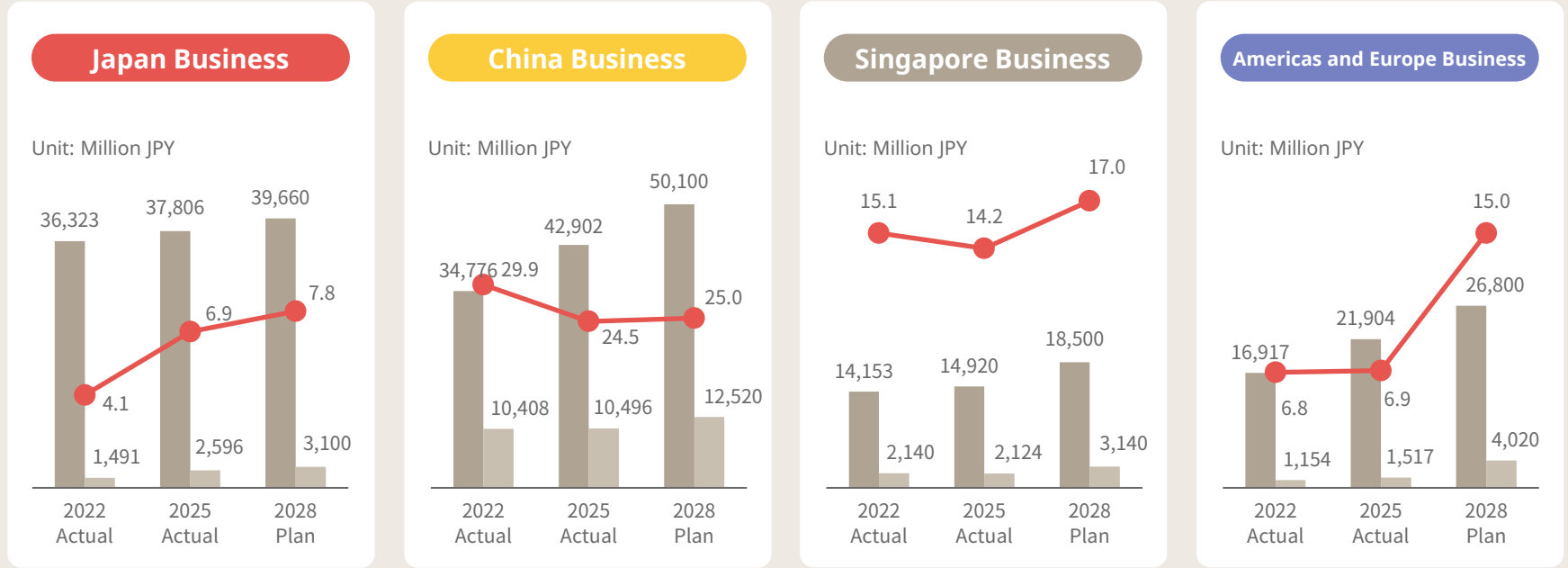
FY2028: +4.6% Net Sales CAGR, 16.0% Operating Margin

(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

9th MTP: Financial Targets (by Segment)

■ Net sales ■ Operating income ● Operating margin



Note: The former Lansinoh business will change its segment name to Americas and Europe Business starting this fiscal year.

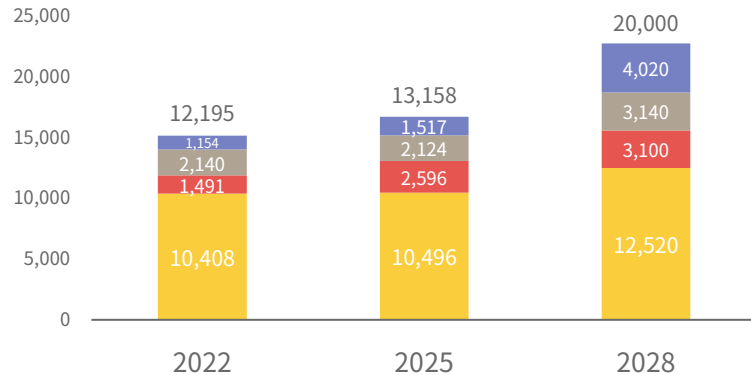
9th Mid-Term Management Plan Quantitative Targets

Americas & Europe Business profit contribution up 9pt, **reducing exposure to the China Business**

Operating Profit by Business Segment

■ China ■ Japan ■ Singapore ■ Americas and Europe

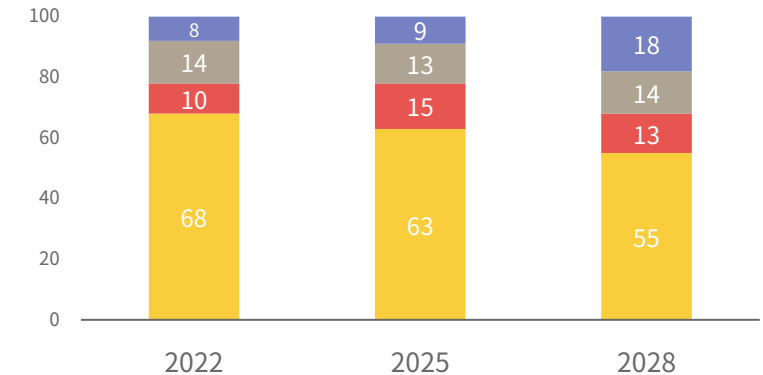
Unit: Million JPY



Consolidated Operating Profit Composition Ratio

■ China ■ Japan ■ Singapore ■ Americas and Europe

(%)



*2028 Operating Profit is adjusted (Singapore, Americas & Europe)

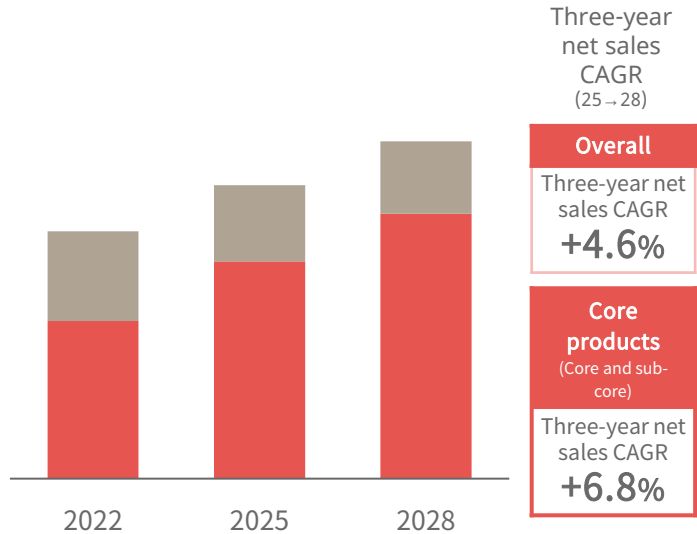
*Simple sum of each business segment's operating profit

Factors Enhancing the Feasibility of Achieving the MTP (1)

Sales mix expansion for core products is already in progress, and steady progress is shown to achieve higher profitability

Net sales

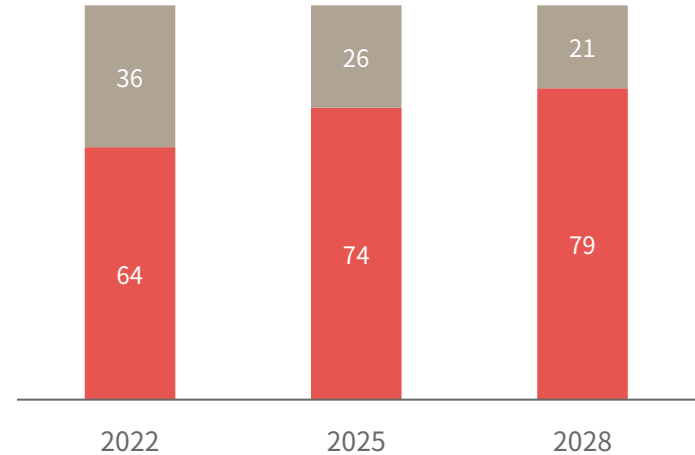
■ Core products ■ Others



Product-by-product sales composition ratio as a percentage of total company sales

■ Core products ■ Others

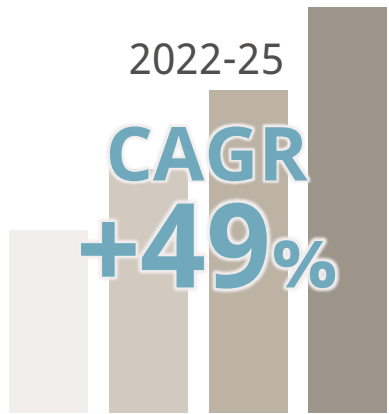
(%)



Factors Enhancing the Feasibility of Achieving the MTP (2)

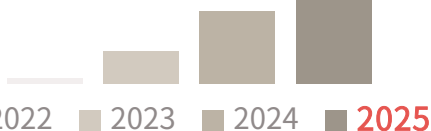
In the North American market, Lansinoh and Pigeon nursing bottles and nipples have **earned high praise**. Sales have shown extremely **high growth rates**, and expectations for the future are high

Sales Trends for Lansinoh & Pigeon in North America



2022-25

CAGR +239%



Achieving high market recognition

The Best Bottles for Breastfed Babies

Babylist Pick

Lansinoh Anti-Colic Baby Bottles - 5 Oz
From \$18.69

[Learn More](#)

Runner Up

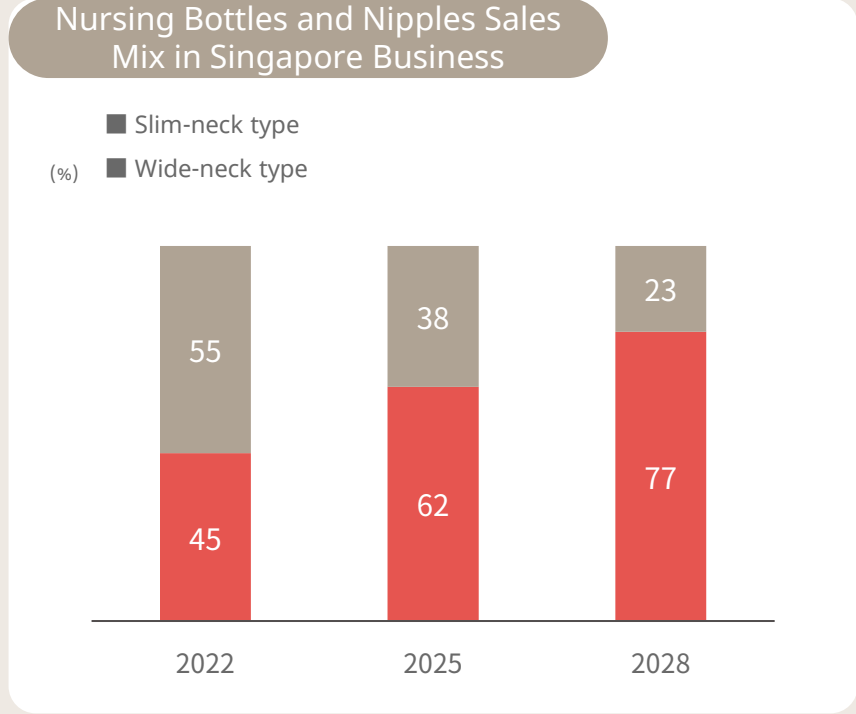
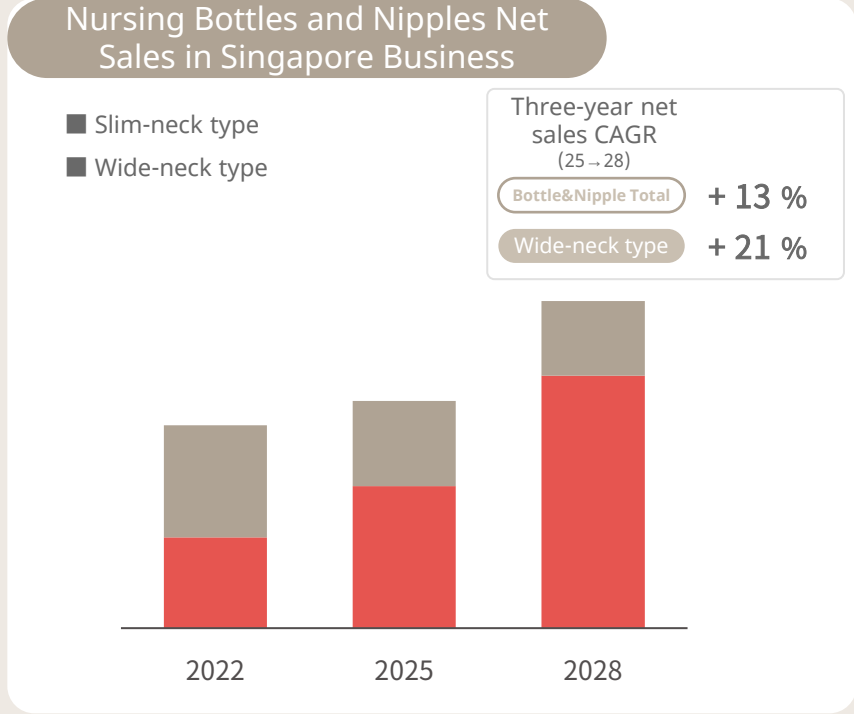
Pigeon PP Nursing Bottle Wide Neck...
From \$32.99

[Learn More](#)



Factors Enhancing the Feasibility of Achieving the MTP (3)

Steady increase is shown in sales ratio of wide-neck bottles in Singapore Business, and stable growth can be expected in the future



Expanding Wide-Neck Bottle Penetration in Singapore Business

Driving Market Entry with **New Value-Oriented Wide-Neck Products** for Price-Sensitive Markets

New Wide-neck Bottle Products
Considering Price Range and Local Needs

Released in 2025

First "In-House India-Made" Wide-Neck
for the growing Upper-middle class



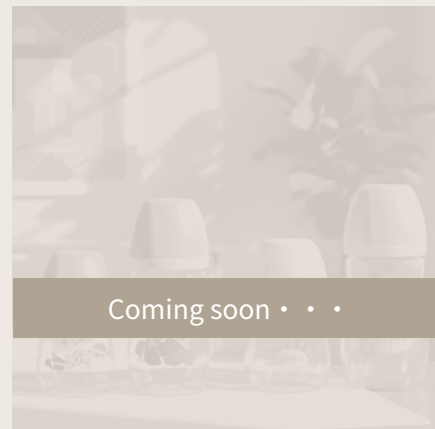
Release scheduled in Feb. 2026

High-end stainless bottle for
Indian market



Release scheduled in 1H 2026

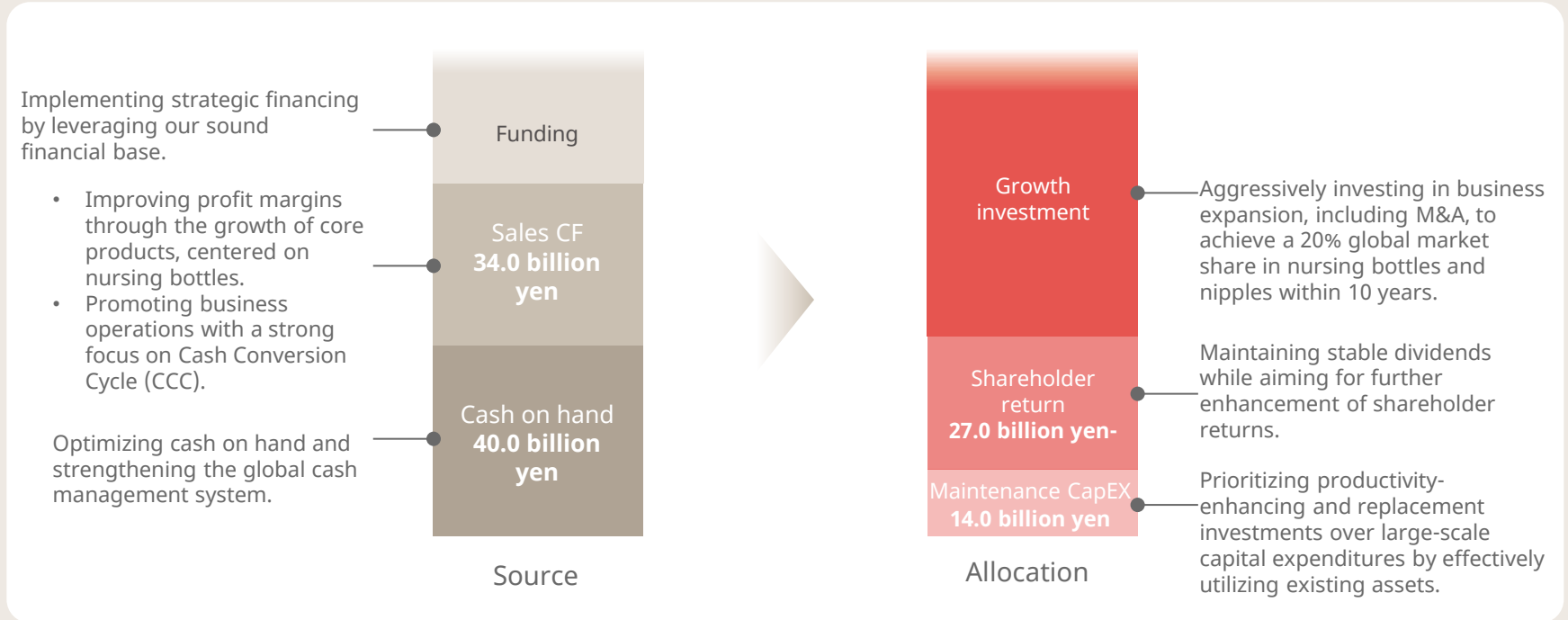
Strategic products for emerging
countries including Indonesia



Capital Allocation Strategy (2026-2028)

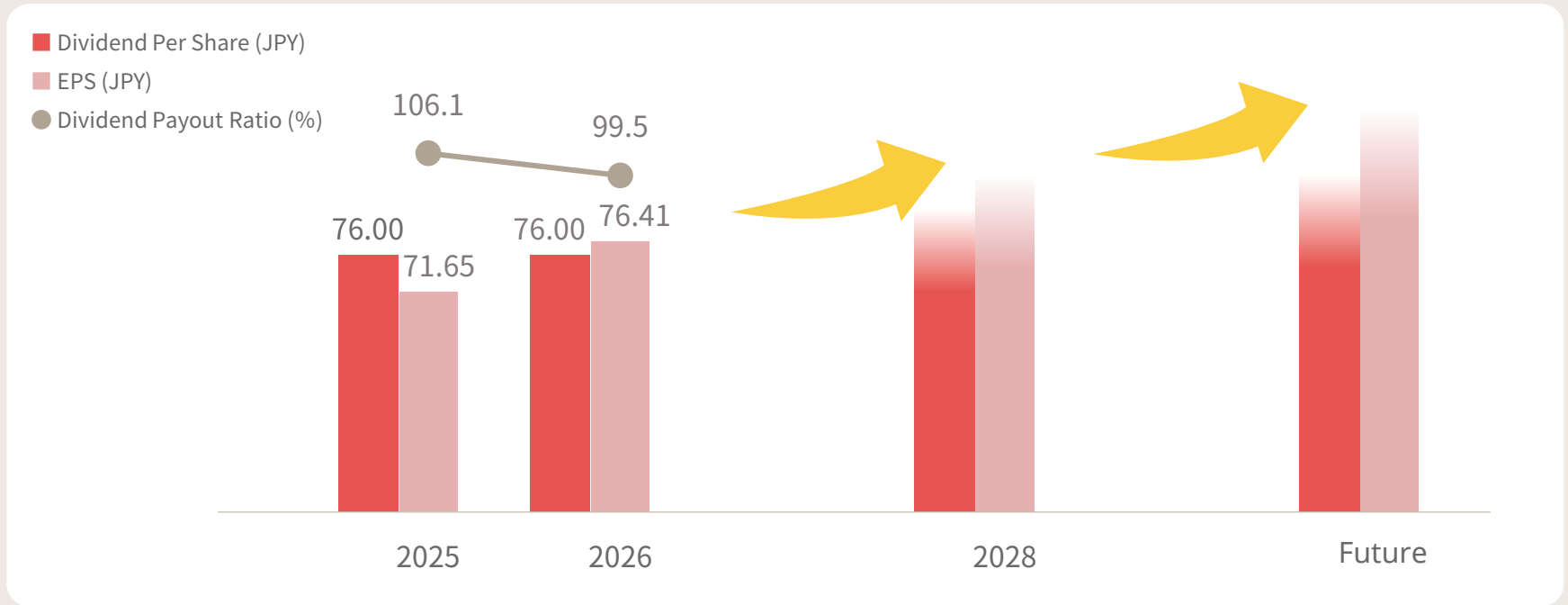
Prioritizing growth investment while maintaining **stable returns**.

Driving core product growth through concentrated investment and Flexible M&A



Shareholder Return Policy

Committed to **stable dividend continuity** at current levels, while ensuring **EPS growth to enable future dividend hikes**



Appendix

Purpose

Our reason for being and the role we should play in society

We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies' unique needs



Key Issues for Pigeon over the Mid and Long-term (Materiality)



Enhancing Business Competitiveness and Resilience

Becoming essential to society by expanding our corporate value over the medium to long term

Supporting nursing babies

Supporting healthy baby skin development

Creating new businesses

Releasing products that exceed customer expectations

Reforming framework to empower 'Create, Produce, and Deliver'



Reducing our Environmental Impact

Practicing eco-friendly *monozukuri* and leaving a rich earth for the future of babies born tomorrow

Using sustainable resources (paper & palm oil)

Circular manufacturing

Reducing greenhouse gas emissions (Scope 1, 2 & 3)



Contributing to the Resolution of Social Issues

Helping to resolve the social issues that affect babies and families

New products and services for babies needing support

Expanding use of products designed for maternity hospitals

Promoting responsible procurement

Participating in and supporting communities



Managing Talent and Cultivating the Right Culture for our Purpose

Cultivating an organizational culture in which all employees can shine as they embrace new challenges

Working environments that achieve self-fulfillment and growth

Ambitious organizational culture

Enriched investment in human resource development

Promoting diversity & inclusion



Establishing Solid Management Foundations

Securing a structural basis for bold and ambitious endeavors that will improve medium- to long-term corporate value

Reinforcing group governance

Reinforcing compliance

Reinforcing risk management

Dialogue with stakeholders

We formulated Vision of a Baby-Friendly Future by describing, in terms of **six specific faces of society**, the “baby-friendly” world envisaged in that Purpose. In order to realize its Vision of a Baby-Friendly Future, Pigeon will move forward step by step, seeking to increase the number of people in society who empathize with the vision and co-creating and taking action with a diverse range of stakeholders.



Vision of a Baby-Friendly Future

Vision of a Baby-Friendly Future website

<https://www.pigeon.co.jp/vision-of-a-baby-friendly-future/>

Six specific faces of society



Babies are part of everyone's everyday life



Loose, friendly ties facilitating easy cooperation around raising children



Creativity from babies brings excitement to society



No barriers to raising children



All babies are helped to develop and grow, regardless of the conditions of their birth



A comfortable world where babies are not troubled by environmental risks



Integrated Report

<https://www.pigeon.co.jp/ir/library/factbook/>

Sustainability

<https://www.pigeon.co.jp/sustainability/>

ESG Data Book

<https://www.pigeon.co.jp/sustainability/databook/>

The Pigeon Group seeks to maximize economic and social value through communications with all stakeholders, including shareholders and other investors. Visit our corporate website to learn about our latest management strategies, business results and ESG activities.

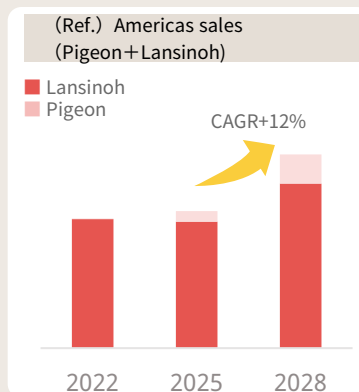
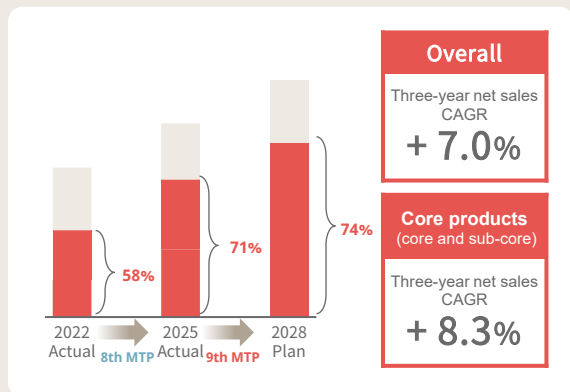
Regional Strategy: Segment Strategy (Americas/Europe)

Enhance our brand value to increase market share of nursing bottles and nipples

With Lansinoh's expertise in breastfeeding and strong brand power accumulated over four decades, leap from a "breastfeeding experts" to a "specialist to support every breastfeeding"

Strengths of Americas and Europe Business

- Strong relationship of trust and recommendation with medical practitioners
- An overwhelming category leader, boasting No. 1 market share in multiple categories including nipple cream
- Coverage of all channels to include across offline stores and EC
- High customer royalty in D2C and digital



*Note: Pigeon brand sales in North America are reported under the China Business segment.

Core Strategies and Actions

Implementation of measures to double sales of nursing bottles

- Focused investment in marketing to boost brand awareness of Lansinoh nursing bottles
- Strengthening exposure and broadening target audience by expansion of nursing bottles and related products

Building a product cycle to support from pregnancy to breastfeeding

- Reinforcement in the main breast pumps to drive early recognition of associated Lansinoh nursing bottles
- Evolution into a brand to support every process of breastfeeding by adding nursing bottles. Strengthening cooperation with related products to deliver enriched customer experience

Obtaining strong recommendations for Lansinoh nursing bottles from experts

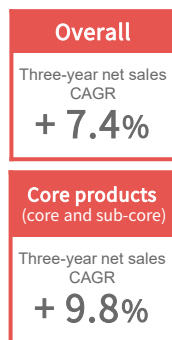
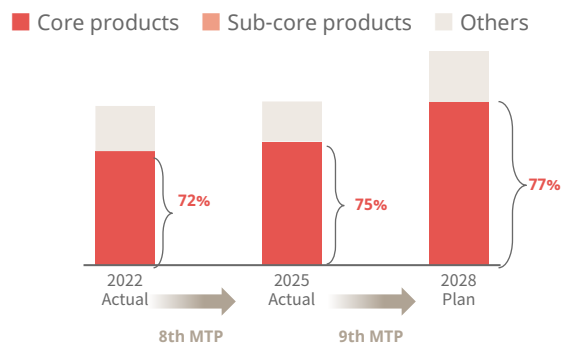
- Recommendation acquired by deepening cooperation with clinical advisory boards and expert KOLs
- Presence establishment by doubling academic activities, and building customer contacts started from second trimester

Regional Strategy: Segment Strategy (Singapore)

Expand sales of high-value-added products in Southeast Asia and target the Indian market
Further increase the sales mix of high-margin wide-neck bottles in countries with high market potential to increase sales and improve profitability

Strengths of Singapore Business

- Sales outlets to markets with the world's largest births
- High share and brand awareness attained in the nursing bottle market of main countries
- Strong and quality global production and supply networks
- Local development structure targeting at growing upper-middle class



Core Strategies and Actions

Focus on growing markets and expansion of high price product line

- Top-priority markets: India and Indonesia
- Additional wide-neck bottle entry models to boost market penetration of wide-neck products
- Implementing high-grade bottle materials, such as PPSU/T-Ester, for differentiation and unit price rise

Accelerating brand image improvement and high-value-added enhancement

- Recommendation acquired through strengthened partnership using Pigeon's insights to evolve a preferred "reliable and functional" brand
- Skincare products: Growth by introducing and expanding sophisticated products line and Age-up products

【Indian market】

Focus on sophisticated distribution structure and expansion of wide-neck bottles and core products

- Resources concentrated in EC/major modern trades. Strengthened branding and sales floor enlargement
- Profit level improvement by reforming distribution structure for making the system contributable to group revenue
- Sales expansion by responding to rapidly growing Q-commerce demands even with outsourcing

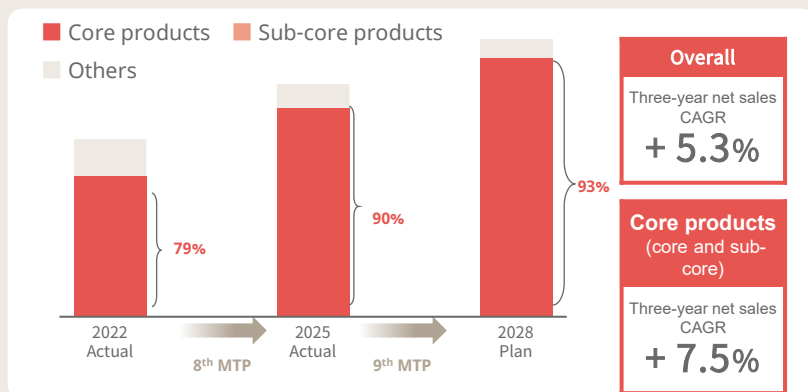
Regional Strategy: Segment Strategy (China)

Balance stable growth and profitability for further expansion of presence

Aim at further strengthening our position as the top brand in nursing bottles and nipples while stably increasing revenue by focusing on skincare products and drinking bottles

Strengths of China Business

- Strong brand: Share in the nursing bottle market: **45%**
- Sales percentage of high earnings core products: Approx. **90%**
- Accumulation of experiences and insights on EC strategies
- Development capabilities to be able to flexibly meet local needs



Core Strategies and Actions

High value-added enhancement and LTV expansion

- Nursing bottles: Profitability improvement by enhancing high-value-added initiative and expanding Age-up products
- Skincare products: Appeal with objective advantage by using “3D skin model”, and LTV expansion by implementing products for kids. Factory operation improved by strengthening sales.
- Drinking cups: Broadening customer base by driving natural transfer from nursing bottles with increased product lineup by designing by age to expand user base. Increase in unit price by improving design.

Distinct measures for EC sales channel

- Sales reinforcement with focus on direct transaction channels such as TikTok. Thorough cost management.
- Cost strategies considering channel characteristics, such as new customer attraction and repeat purchase

Efficiency improvement of EC activities with thorough ROI evaluation

- Careful investigation into cost-effectiveness by evaluating EC initiatives including influence on other EC platforms and offline channels. Accelerating PDCA to maximize ROI thoroughly.

Regional Strategy: Segment Strategy (Japan)

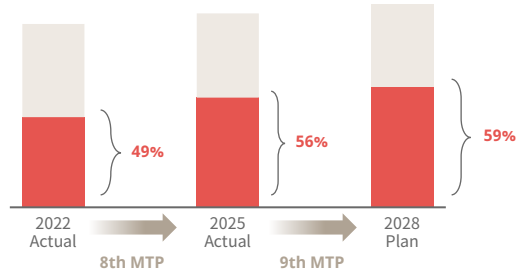
Improve profitability by expanding target markets centered on stable core products

With the foundation of competitiveness in nursing bottles, nipples, and skincare products, aim at improvement of profitability by expanding new areas (baby care appliances, Age-up products, and others) and implementing high-value added products such as baby foods

Strengths of Japan Business

- Overwhelming brand power: Over 80% share in the nursing bottle market
- Planning and development capabilities to promptly capture and meet various needs
- A wealth of research achievements relating to babies and mothers
- Strong network with medical practitioners

■ Core products ■ Sub-core products ■ Others



Overall

Three-year net sales CAGR
+ 1.6%

Core products (core and sub-core)

Three-year net sales CAGR
+ 3.2%

Core Strategies and Actions

“Age-up and new areas” with our overwhelming brand power

- Expansion of target customer age group based on strong reliability of nursing bottles
- New growing market development with products for kids fostering their independence
- Increase in baby care appliances that only Pigeon could suggest and launch with full knowledge of parenting environments

Launch of new products using Pigeon’s latest technology

- Nursing bottles: Launch of high-value-added products and increase in unit price
- Skincare products: Building appeal and competitive advantage based on scientific and quantitative bases by using “3D skin model” to aim at further share increase

Profitability improvement by optimizing various portfolios

- Promotion of selection and concentration, such as dispose of unprofitable product categories
- Further high-value-added enhancement, and price strategies to match product quality
- Profitability increase in Pigeon EC by thorough profit analysis, and its development to be a next-generation pillar

8th MTP Results (5): Pigeon Green Action Plan

Initiatives aimed at **realizing a sustainable society** are progressing steadily

	Group-wide Indicators	2023 Result	2024 Result	2025 Forecast (As of Feb 6)	2030 Target
Decarbonization	Scope 1 & 2 GHG Emissions Reduction (Absolute target vs. FY2018)	60% Reduction	65% Reduction	68% Reduction	70% Reduction
	Scope 3 GHG Emissions Reduction (Categories 1 & 12) (Absolute target vs. FY2021)	20% Reduction	23% Reduction	Under calculation / SBTi certification obtained	25% Reduction
Circular Economy	Percentage of packaging using bio-based or recycled materials (by weight)	Data preparation based on calculation standards	46%	50%	50%
	Reusable, recyclable, or compostable packaging	81%	84%	83%	100%
Living in Harmony with Nature	Percentage of sustainable paper used in packaging	58%	67%	68%	100%
	Percentage of RSPO-certified palm oil (including B&C model)	15%	11%	44%	100%

*Figures are as of February 6, 2026 (Full disclosure will be provided sequentially in the ESG Data Book and on our Sustainability website starting from late March 2026).47

8th MTP Results (6): Contribution to Social Issues

Providing "Lessons to Learn About Babies" to junior high school students across Japan



Approx. **500**
schools



Approx. **41,000**
students



Cumulative total as of the end of March 2025

Support for human milk banks



Social contribution activities worldwide



8th MTP Results (7): Contribution to Social Issues

Response to the CDP Corporate Questionnaire (Climate Change)

- We have been responding to the CDP Climate Change Questionnaire, which is conducted by the international nonprofit CDP, since FY2022.
- In 2025, we submitted our first response to the water questionnaire.
- 2025 CDP scores Climate change: B; Water: B
- We will continue to strengthen our climate change initiatives and information disclosure.

Responding Organization	Questionnaire	2023	2024	2025
Pigeon Group	Climate change	B	B	A-
	Water	—	—	B
Lansinoh Group	Climate change	A	A	A
	Water	—	B-	B-

Disclaimer on Forward-Looking Statements

This material includes certain forward-looking statements about the Pigeon Group. To the extent that statements in this material do not relate to historical or current facts, they constitute forward-looking statements.

These forward-looking statements are based on the current assumptions and judgments of the Pigeon Group in light of the information currently available to it, and involve know and unknown risks, uncertainties and other factors, which may affect the statements made in this material.

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Celebrate babies the way they are



pigeon