

Pigeon Corporation (TSE: 7956)

Price (as of March 31, 2023): **¥2,049** (retroactively adjusted) **P/E (forward): 30.3** **EPS (CE): ¥67.70**

Sector: Manufacturing of baby and mother care products

The accounting standard for revenue recognition has been changed from FY 2021/12. See the notes for details.

Fundamentals	March. 2023
Market Cap (¥M)	249,268
PE Forward (times)	30.3
Dividend Yield (%)	—

	March. 2023
Net Sales (¥M)	23,613
Operating Income (¥M)	3,404
Net Income (¥M)	2,438

	March. 2023
Total Assets (¥M)	101,034
Total Shareholders' Equity (¥M)	67,617
Interest-Bearing Debt (¥M)	90
Retained Earnings (¥M)	58,624

Key Financial Indicators	March. 2023
Gross Profit/Net Sales (%)	48.7
Operating Income/Net Sales (%)	14.4
Net Income/Net Sales (%)	10.3
SG&A/Net Sales (%)	34.2
Equity Ratio (%)	74.5

Segment Information	March. 2023
Japan Business (¥M)	8,873
China Business (¥M)	8,600
Singapore Business (¥M)	3,491
Lansinoh Business (¥M)	4,538

Shareholder Profile	Dec. 2022
Financial Institutions (%)	37.3
Individuals and Others (%)	13.9
Non-Japanese Corporations (%)	42.4
Japanese Corporations (%)	4.9
Treasury Stock (%)	1.6
Government and Public Bodies (%)	0.0

Note : "Shareholder Profile" is rounded to the first decimal place.

Stock Data	Dec. 2022
Number of Shares Outstanding	121,653,486
Number of Shareholders	22,970

Business Profile

Pigeon has the top share in baby and mother care products in Japan. Previously, this report consisted of information from six Group reporting segments: the Domestic Baby & Mother Care Business, Child Care Service Business, Health & Elder Care Business, China Business, Singapore Business, and Lansinoh Business. However, from the consolidated first quarter of FY 2020, the Japan Business segment aggregates the manufacturing and sales business conducted outside the Group by domestic subsidiaries included in the segments of Domestic Baby & Mother Care Business, Child Care Service Business, Health & Elder Care Business, and Other. As a result, this report now consists of four segments.

Performance Overview (1st Quarter)

Business results during the consolidated first quarter under review were mixed. Net sales, led by the China Business and Lansinoh Business, and buoyed by impacts such as yen depreciation, grew to ¥23,613 million (up 8.7% YOY). In earnings, higher revenues boosted income and gross profit margin improved by 0.4 points. Operating income rose to ¥3,404 million (up 13.7% YOY), but ordinary income slipped to ¥3,791 million (down 4.5% YOY) and net income attributable to owners of parent retreated to ¥2,438 million (down 6.9% YOY).

Forecast

A: Actual; CE: Company Estimate **Currency exchange rate for 2023(CE): \$1 = ¥130.00**

	¥ Million			\$ Thousand
	2023/12(A) Q1	2022/12(A) Full-year	2023/12 (CE) Full-year *	2023/12 (CE) Full-year *
Net Sales	23,613	94,921	100,000	769,231
Operating Income	3,404	12,195	12,400	95,385
Net Income	2,438	8,581	8,100	62,308

	¥			\$
	2023/12(A) Q1	2022/12(A) Full-year	2023/12 (CE) Full-year	2023/12 (CE) Full-year
EPS	20.38	71.72	67.70	0.52
Cash Dividend per Share		76.00	76.00	0.58

Note:

The Group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition") from the beginning of the previous consolidated fiscal year under review. In accordance with the Accounting Standard for Revenue Recognition, when control of a promised good or service is transferred to the customer, revenue will be recognized at the amount expected to be received in exchange for the good or service.

Strengths

- Japanese baby and mother care products brand well known in the world.
- Number one baby products brand in Japan, China and growing in emerging markets.
- Number one breastfeeding products brand in US and Europe (Lansinoh brand)

Disclaimers:

This report may contain information pertaining to forward-looking statements, such as projected results. Consequently, it is possible that the actual results may vary significantly from such projections due to a wide range of factors such as social, economic and industry conditions. Readers of this report are requested to make decisions on investment after referring to financial materials submitted by issuing companies, such as reports on securities, and based on his/her individual judgment. Pigeon Corporation bears no liability whatsoever should any damage or injury be caused by any errors contained in information or content contained in this report.



Summary Financial Data

*1 Years ended Dec.31 *2 Three months ended March 31

*3 The previous revenue recognition standard *4 The new revenue recognition standard

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2020 ^{*1,*3}	2021 ^{*1,*4}	2022 ^{*1,*4}	2022 ^{*1,*4}		2022 ^{*2,*4}	2023 ^{*2,*4}	2023 ^{*2,*4}	
Net Sales	99,380	93,080	94,921	716,980	2.0	21,714	23,613	178,359	8.7
Cost of Sales	49,459	49,008	50,087	378,329	2.2	11,243	12,122	91,563	7.8
Gross Profit	49,929	44,072	44,834	338,651	1.7	10,470	11,490	86,789	9.7
SG&A Expenses	34,605	30,735	32,638	246,529	6.2	7,475	8,086	61,077	8.2
Operating Income	15,316	13,336	12,195	92,114	(8.6)	2,994	3,404	25,712	13.7
Other Income (Loss)	798	1,312	1,269	9,585	(3.3)	976	386	2,916	(60.5)
Ordinary Income	16,113	14,648	13,465	101,707	(8.1)	3,971	3,791	28,635	(4.5)
Extraordinary Income (Loss)	(277)	(1,117)	(322)	(2,432)	(71.2)	(16)	(4)	(30)	(75.0)
Net Income Attributable to Non-controlling Interests	216	193	179	1,352	(7.3)	63	52	393	(17.5)
Net Income Attributable to Owners of Parent	10,643	8,785	8,581	64,816	(2.3)	2,617	2,438	18,415	(6.8)

Profit and Loss	¥		\$		YOY Change (%)	¥		\$		YOY Change (%)
	2020 ^{*1,*3}	2021 ^{*1,*4}	2022 ^{*1,*4}	2022 ^{*1,*4}		2022 ^{*2,*4}	2023 ^{*2,*4}	2023 ^{*2,*4}	2023 ^{*2,*4}	
EPS	88.93	73.44	71.72	0.5	(2.3)	21.88	20.38	0.2	(6.9)	
Cash Dividend per Share	72.00	74.00	76.00	0.6	2.7	-	-	-	-	

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2020 ^{*1,*3}	2021 ^{*1,*4}	2022 ^{*1,*4}	2022 ^{*1,*4}		2022 ^{*2,*4}	2023 ^{*2,*4}	2023 ^{*2,*4}	
Cash and Time Deposits	37,163	35,218	34,283	258,955	(2.7)	34,283	28,042	211,814	(18.2)
Notes and Accounts Receivable	15,085	16,253	15,975	120,666	(1.7)	15,975	17,338	130,962	8.5
Inventories	11,376	12,706	15,318	115,704	20.6	15,318	17,161	129,625	12.0
Tangible Fixed Assets	23,262	27,093	30,132	227,600	11.2	30,132	31,865	240,690	5.8
Intangible Fixed Assets	2,957	2,572	2,308	17,433	(10.3)	2,308	2,129	16,081	(7.8)
Total Assets	93,472	98,042	101,733	768,434	3.8	101,733	101,034	763,154	(0.7)
Notes and Accounts Payable	4,757	4,087	5,066	38,266	24.0	5,066	5,546	41,891	9.5
Interest-Bearing Debt	-	-	-	-	-	-	90	680	-
Total Net Assets	72,625	76,810	79,952	603,913	4.1	79,952	78,608	593,761	(1.7)
Total Shareholders' Equity	70,020	70,062	69,706	526,520	(0.5)	69,706	67,617	510,741	(3.0)
Equity Ratio (%)	74.8	75.4	75.4	-	0.0	75.4	74.5	-	(1.2)

Currency exchange rate (as of March 31, 2023) : \$1 = ¥132.39

Corporate Data

(As of December 31, 2022)

Head Office

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Established

August 15, 1957

Paid-in Capital

¥5,199,597 thousand

Number of Employees

3,803 (Worldwide, Includes Part-time employees)

345 (Japan, Full-time employees)

Fiscal Year-End

December 31

Annual Shareholders' Meeting

End of March

Stock Trading Unit

100 shares

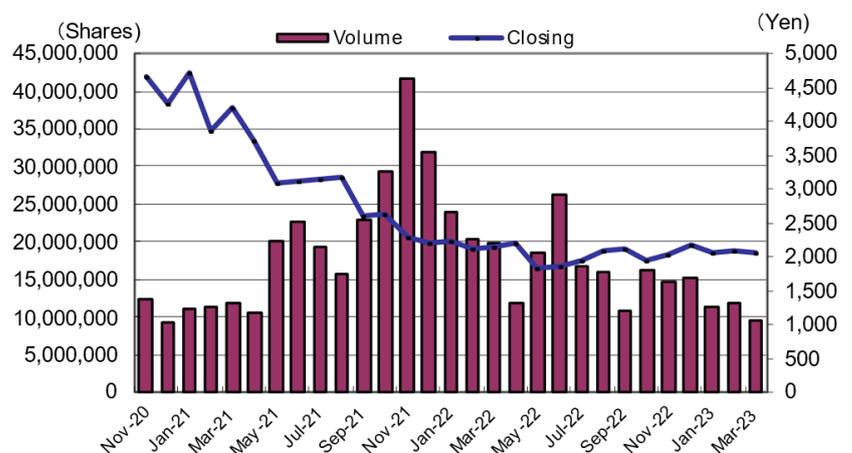
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<https://ssl.pigeon.co.jp/investor/en/index.html>



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