



# Pigeon Corporation (TSE: 7956)

**Price** (as of sept. 30, 2023): **¥1688.5** (retroactively adjusted) **P/E** (forward): **24.9** **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.**

<b>Fundamentals</b>	<b>Sept. 2023</b>
Market Cap (¥M)	205,412
PE Forward (times)	24.9
Dividend Yield (%)	—

	<b>Sept. 2023</b>
Net Sales (¥M)	72,942
Operating Income (¥M)	10,183
Net Income (¥M)	7,281

	<b>Sept. 2023</b>
Total Assets (¥M)	105,432
Total Shareholders' Equity (¥M)	67,733
Interest-Bearing Debt (¥M)	72
Retained Earnings (¥M)	58,890

<b>Key Financial Indicators</b>	<b>Sept. 2023</b>
Gross Profit/Net Sales (%)	49.3
Operating Income/Net Sales (%)	14.0
Net Income/Net Sales (%)	10.0
SG&A/Net Sales (%)	35.3
Equity Ratio (%)	74.8

<b>Segment Information</b>	<b>Sept. 2023</b>
Japan Business (¥M)	27,572
China Business (¥M)	27,301
Singapore Business (¥M)	10,118
Lansinoh Business (¥M)	13,651

<b>Shareholder Profile</b>	<b>June 2023</b>
Financial Institutions (%)	39.4
Individuals and Others (%)	14.7
Non-Japanese Corporations (%)	39.5
Japanese Corporations (%)	4.8
Treasury Stock (%)	1.6

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

<b>Stock Data</b>	<b>June 2023</b>
Number of Shares Outstanding	121,653,486
Number of Shareholders	24,947

## 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 (3<sup>rd</sup> Quarter)

Business results were favorable during the period under review. Buoyed by strong results in the Japan Business, China Business and Lansinoh Business, as well as depreciation in the Japanese yen, net sales improved to ¥72,942 million (up 3.2% YOY). This increase in revenue bolstered earnings, while marine shipping costs eased and the Group optimized its product sales ratio. These factors boosted gross profit margin by 2.3 points YOY, more than offsetting higher selling, general and administrative expenses. Operating income increased to ¥10,183 million (up 11.9% YOY), ordinary income grew to ¥11,149 million (up 3.5% YOY) and net income attributable to owners of parent advanced to ¥7,281 million (up 4.8% YOY).

## Forecast

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

	¥ Million			\$ Thousand
	2023/12(A) Q3	2022/12(A) Full-year	2023/12 (CE) Full-year *	2023/12 (CE) Full-year *
Net Sales	<b>72,942</b>	94,921	100,000	769,231
Operating Income	<b>10,183</b>	12,195	12,400	95,385
Net Income	<b>7,281</b>	8,581	8,100	62,308

	¥			\$
	2023/12(A) Q3	2022/12(A) Full-year	2023/12 (CE) Full-year	2023/12 (CE) Full-year
EPS	<b>60.86</b>	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 Nine months ended Sept. 30

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

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2020 <sup>*1,*3</sup>	2021 <sup>*1,*4</sup>	2022 <sup>*1,*4</sup>	2022 <sup>*1,*4</sup>		2022 <sup>*2,*4</sup>	2023 <sup>*2,*4</sup>	2023 <sup>*2,*4</sup>	
Net Sales	99,380	93,080	94,921	686,987	2.0	70,707	72,942	527,915	3.2
Cost of Sales	49,459	49,008	50,087	362,503	2.2	37,510	37,016	267,902	(1.3)
Gross Profit	49,929	44,072	44,834	324,484	1.7	33,197	35,925	260,006	8.2
SG&A Expenses	34,605	30,735	32,638	236,216	6.2	24,093	25,741	186,299	6.8
Operating Income	15,316	13,336	12,195	88,261	(8.6)	9,103	10,183	73,699	11.9
Other Income (Loss)	798	1,312	1,269	9,184	(3.3)	1,671	966	6,991	(42.2)
Ordinary Income	16,113	14,648	13,465	97,452	(8.1)	10,774	11,149	80,690	3.5
Extraordinary Income (Loss)	(277)	(1,117)	(322)	(2,330)	(71.2)	(26)	(9)	(65)	(65.4)
Net Income Attributable to Non-controlling Interests	216	193	179	1,296	(7.3)	162	131	948	(19.1)
Net Income Attributable to Owners of Parent	10,643	8,785	8,581	62,105	(2.3)	6,948	7,281	52,696	4.8

Profit and Loss	¥		\$		YOY Change (%)	¥		\$		YOY Change (%)
	2020 <sup>*1,*3</sup>	2021 <sup>*1,*4</sup>	2022 <sup>*1,*4</sup>	2022 <sup>*1,*4</sup>		2022 <sup>*2,*4</sup>	2023 <sup>*2,*4</sup>	2023 <sup>*2,*4</sup>		
EPS	88.93	73.44	71.72	0.5	(2.3)	58.07	60.86	0.4	4.8	
Cash Dividend per Share	72.00	74.00	76.00	0.6	2.7	-	-	-	-	

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2020 <sup>*1,*3</sup>	2021 <sup>*1,*4</sup>	2022 <sup>*1,*4</sup>	2022 <sup>*1,*4</sup>		2022 <sup>*2,*4</sup>	2023 <sup>*2,*4</sup>	2023 <sup>*2,*4</sup>	
Cash and Time Deposits	37,163	35,218	34,283	248,122	(2.7)	33,018	31,103	225,107	(5.8)
Notes and Accounts Receivable	15,085	16,253	15,975	115,618	(1.7)	17,882	18,799	136,057	5.1
Inventories	11,376	12,706	15,318	110,863	20.6	15,758	16,009	115,865	1.6
Tangible Fixed Assets	23,262	27,093	30,132	218,079	11.2	30,239	33,154	239,951	9.6
Intangible Fixed Assets	2,957	2,572	2,308	16,704	(10.3)	2,654	1,801	13,035	(32.1)
Total Assets	93,472	98,042	101,733	736,289	3.8	103,917	105,432	763,060	1.5
Notes and Accounts Payable	4,757	4,087	5,066	36,665	24.0	5,771	4,290	31,049	(25.7)
Interest-Bearing Debt	-	-	-	-	-	-	72	521	-
Total Net Assets	72,625	76,810	79,952	578,649	4.1	81,031	82,414	596,468	1.7
Total Shareholders' Equity	70,020	70,062	69,706	504,494	(0.5)	68,072	67,733	490,215	(0.5)
Equity Ratio (%)	74.8	75.4	75.4	-	0.0	74.7	74.8	-	0.1

Currency exchange rate (as of Sept. 30, 2023) : \$1 = ¥138.17

## Corporate Data

(As of June 30, 2023)

### Head Office

4-4, Nihonbashi-Hisamatsucho, Chuo-ku,  
Tokyo 103-8480  
TEL: +81-3-3661-4204 FAX: +81-3-3661-4320  
<https://www.pigeon.com/>

### Established

August 15, 1957

### Paid-in Capital

¥5,199,597 thousand

### Number of Employees

3,788 (Worldwide, Includes Part-time employees)

350 (Japan, Full-time employees)

### Fiscal Year-End

December 31

### Annual Shareholders' Meeting

End of March

### Stock Trading Unit

100 shares

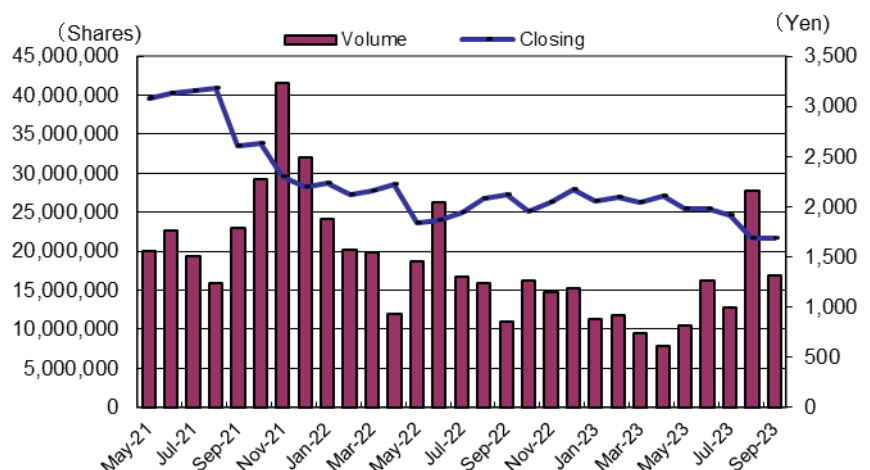
### Inquiries

Business Strategy Division

Business Strategy Department

Business Strategy Section

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



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