

Pigeon Corporation (TSE: 7956)

Price (as of June 30, 2024): **¥1,454.5** (retroactively adjusted) **P/E (forward): 22.9** **EPS (CE): ¥63.54**

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	June 2024
Market Cap (¥M)	176,945
PE Forward (times)	22.9
Dividend Yield (%)	5.23

	June 2024
Net Sales (¥M)	51,313
Operating Income (¥M)	5,822
Net Income (¥M)	3,574

	June 2024
Total Assets (¥M)	108,392
Total Shareholders' Equity (¥M)	66,900
Interest-Bearing Debt (¥M)	-
Retained Earnings (¥M)	58,057

Key Financial Indicators	June 2024
Gross Profit/Net Sales (%)	48.8
Operating Income/Net Sales (%)	11.3
Net Income/Net Sales (%)	7.0
SG&A/Net Sales (%)	37.4
Equity Ratio (%)	75.4

Segment Information	June 2024
Japan Business (¥M)	18,002
China Business (¥M)	19,629
Singapore Business (¥M)	7,094
Lansinoh Business (¥M)	10,092

Shareholder Profile	June 2024
Financial Institutions (%)	39.8
Individuals and Others (%)	34.9
Non-Japanese Corporations (%)	17.8
Japanese Corporations (%)	6.0
Treasury Stock (%)	1.6

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

Stock Data	June 2024
Number of Shares Outstanding	121,653,486
Number of Shareholders	75,016

Business Profile

Global #1 market share for Nursing Bottles. For more than 60 years since its establishment, the Pigeon Group has continued conducting intensive R&D with the aim of bringing happiness to babies and their families. We offer highly competitive products and services and are now expanding our business over 90 markets around the world.

We are promoting the "8th Mid-Term Business Plan" starting in 2023 to flexibly respond to the rapidly changing global business environment and to ensure sustainable growth. In addition to sustained growth in existing business areas, we are aggressively restructuring our business structure by focusing on exploring and nurturing new growth areas where we can leverage our knowledge and expertise.

Performance Overview (2nd Quarter)

Sales of the Pigeon Group expanded during the consolidated first half under review, while earnings retreated. Net sales grew to ¥51,313 million (up 6.9% YOY), buoyed by yen depreciation and led by the China Business and Lansinoh Business. In earnings, higher revenues boosted gross profit margin, but the Group invested heavily in selling, general and administrative expenses in a vigorous effort to bolster net sales and market share for nursing bottles and the baby skincare category, particularly in the China Business. Operating income fell to ¥5,822 million (down 10.6% YOY), ordinary income declined to ¥6,431 million (down 9.6% YOY) and net income attributable to owners of parent dropped to ¥3,574 million (down 21.7% YOY).

Forecast

A: Actual; CE: Company Estimate **Currency exchange rate for 2024 (CE): \$1 = ¥135.00**

	¥ Million			\$ Thousand
	2024/12(A) Q2	2023/12(A) Full-year	2024/12 (CE) Full-year *	2024/12 (CE) Full-year *
Net Sales	51,313	94,461	101,000	748,148
Operating Income	5,822	10,726	11,400	84,444
Net Income	3,574	7,423	7,600	56,296

	¥			\$
	2024/12(A) Q2	2023/12(A) Full-year	2024/12 (CE) Full-year	2024/12 (CE) Full-year
EPS	29.89	62.06	63.54	0.47
Cash Dividend per Share	38.00	76.00	76.00	0.56

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 Six months ended June 30

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2021 ^{*1}	2022 ^{*1}	2023 ^{*1}	2023 ^{*1}		2023 ^{*2}	2024 ^{*2}	2024 ^{*2}	
Net Sales	93,080	94,921	94,461	620,882	(0.5)	48,002	51,313	337,275	6.9
Cost of Sales	49,008	50,087	49,008	322,124	(2.2)	24,700	26,291	172,808	6.4
Gross Profit	44,072	44,834	45,452	298,751	1.4	23,301	25,021	164,460	7.4
SG&A Expenses	30,735	32,638	34,726	228,250	6.4	16,789	19,198	126,186	14.3
Operating Income	13,336	12,195	10,726	70,501	(12.0)	6,511	5,822	38,267	(10.6)
Other Income (Loss)	1,312	1,269	797	5,239	(37.2)	606	609	4,003	0.5
Ordinary Income	14,648	13,465	11,522	75,733	(14.4)	7,117	6,431	42,270	(9.6)
Extraordinary Income (Loss)	(1,117)	(322)	(368)	(2,419)	14.3	(3)	(289)	(1,900)	9,533.3
Net Income Attributable to Non-controlling Interests	193	179	137	900	(23.5)	89	88	578	(1.1)
Net Income Attributable to Owners of Parent	8,785	8,581	7,423	48,791	(13.5)	4,566	3,574	23,492	(21.7)

Profit and Loss	\$				YOY Change (%)	\$			YOY Change (%)
	2021 ^{*1}	2022 ^{*1}	2023 ^{*1}	2023 ^{*1}		2023 ^{*2}	2024 ^{*2}	2024 ^{*2}	
EPS	73.44	71.72	62.06	0.4	(13.5)	38.17	29.89	0.2	(21.7)
Cash Dividend per Share	74.00	76.00	76.00	0.5	0.0	38.00	38.00	-	-

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2021 ^{*1}	2022 ^{*1}	2023 ^{*1}	2023 ^{*1}		2023 ^{*2}	2024 ^{*2}	2024 ^{*2}	
Cash and Time Deposits	35,218	34,283	34,357	225,825	0.2	32,480	35,335	232,253	8.8
Notes and Accounts Receivable	16,253	15,975	14,412	94,729	(9.8)	17,145	21,346	140,305	24.5
Inventories	12,706	15,318	13,535	88,964	(11.6)	16,839	14,457	95,024	(14.1)
Tangible Fixed Assets	27,093	30,132	31,952	210,017	6.0	32,715	31,013	203,845	(5.2)
Intangible Fixed Assets	2,572	2,308	1,483	9,748	(35.7)	1,997	1,339	8,801	(32.9)
Total Assets	98,042	101,733	100,440	660,181	(1.3)	105,091	108,392	712,449	3.1
Notes and Accounts Payable	4,087	5,066	3,643	23,945	(28.1)	4,647	5,463	35,908	17.6
Interest-Bearing Debt	-	-	76	500	-	67	-	-	-
Total Net Assets	76,810	79,952	81,087	532,976	1.4	83,056	84,953	558,387	2.3
Total Shareholders' Equity	70,062	69,706	67,876	446,142	(2.6)	69,570	66,900	439,727	(3.8)
Equity Ratio (%)	75.4	75.4	77.2		2.4	75.7	75.4		(0.4)

Currency exchange rate (as of June 30, 2024) : \$1 = ¥152.14

Corporate Data

(As of June 30, 2024)

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

3,590 (Worldwide, Includes Part-time employees)
345 (Japan, Full-time employees)

Fiscal Year-End

December 31

Annual Shareholders' Meeting

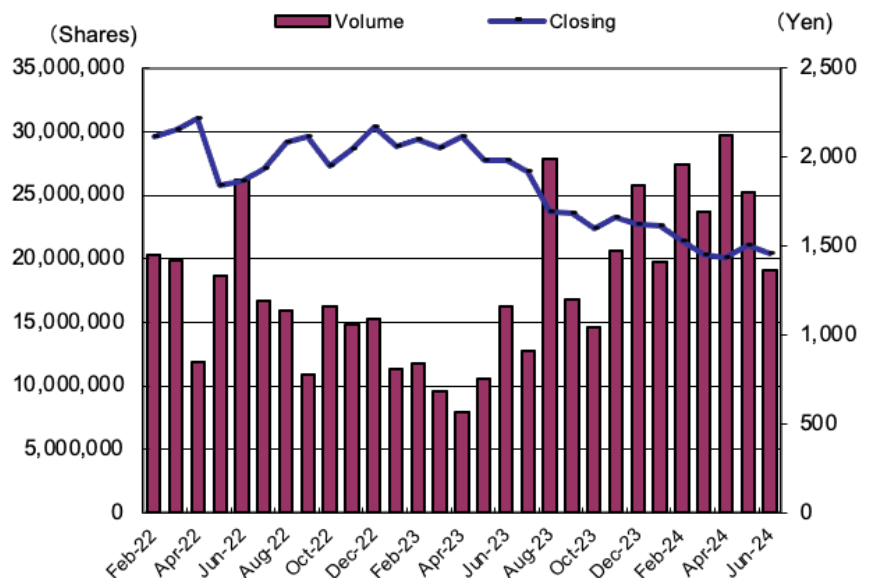
End of March

Stock Trading Unit

100 shares

Inquiries

Business Strategy Division
Business Strategy Department
Business Strategy Section
<https://ssl.pigeon.co.jp/investor/en/index.html>



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.