Summary of Financial Results for the Second Quarter (First Half) of Fiscal Year Ending December 31, 2026 [Japanese Standards] (Consolidated)

August 6, 2026

Name of Listed Company: Pigeon Corporation (Stock code: 7956)
Listing: Prime Market, Tokyo Stock Exchange
Website: www.pigeon.com
Representative: Ryo Yano, President and CEO
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Scheduled Filing Date of Semi-annual Securities Report: August 7, 2026
Scheduled Commencement Date of Dividend Payments: September 7, 2026
Preparation of Any Additional Explanatory Materials for Financial Results: Yes
Holding of Any Briefing Session for Financial Results: Yes (For analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Business Performance for the Second Quarter (First Half) of Fiscal Year Ending December 31, 2026 (January 1 to June 30, 2026)

(1) Consolidated Operating Results (cumulative)

(Millions of yen, unless otherwise noted; Percentage figures denote year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
First half ended June 30, 2026	58,977	9.8%	7,878	17.9%	7,986	16.2%	5,221	12.9%
First half ended June 30, 2025	53,734	4.7%	6,684	14.8%	6,875	6.9%	4,624	29.4%

(Note) Comprehensive income: First half ended June 30, 2026 ¥7,478 million (445.9%)
First half ended June 30, 2025 ¥1,370 million (-84.7%)

	Basic Earnings per Share (¥)	Diluted Earnings per Share (¥)
First half ended June 30, 2026	43.66	–
First half ended June 30, 2025	38.67	–

(2) Consolidated Financial Position

(Millions of yen, unless otherwise noted)

	Total Assets	Net Assets	Equity Ratio (%)
As of June 30, 2026	115,267	88,333	74.1
As of December 31, 2025	110,088	85,887	75.3

(Reference) Equity (Shareholders' equity + Accumulated other comprehensive income)
As of June 30, 2026 ¥85,441 million
As of December 31, 2025 ¥82,916 million

2. Cash Dividends

	Annual Dividend (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY ended December 31, 2025	–	38.00	–	38.00	76.00
FY ending December 31, 2026	–	38.00			
FY ending December 31, 2026 (Forecast)			–	38.00	76.00

(Note) Revision of dividend forecast from the most recent announcement: None

3. Consolidated Business Performance Forecast for the Fiscal Year Ending December 31, 2026 (January 1 to December 31, 2026)

(Millions of yen, unless otherwise noted; Percentage figures denote year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share (¥)
Full year	113,500	4.0%	13,900	5.6%	14,150	3.4%	9,140	6.7%	76.41

(Note) Revision of business performance forecast from the most recent announcement: None

Notes

(1) Significant changes in the scope of consolidation during the period under review: None
New: – (Company name: –), Excluded: – (Company name: –)

(2) Application of any accounting procedures specific to preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements
1) Changes in accounting policies associated with revision of accounting standards: None
2) Changes in accounting policies other than the above 1): None
3) Changes in accounting estimates: None
4) Restatements: None

(4) Number of shares issued (common shares)
1) Number of shares issued at the period-end (including treasury shares)
As of June 30, 2026: 121,653,486 shares
As of December 31, 2025: 121,653,486 shares
2) Number of treasury shares at the period-end
As of June 30, 2026: 2,201,138 shares
As of December 31, 2025: 2,023,423 shares
3) Average number of shares outstanding during the period (cumulative)
First half ended June 30, 2026: 119,596,170 shares
First half ended June 30, 2025: 119,609,586 shares
(Note) The number of treasury shares at the period-end includes the Company shares held by the board incentive plan (BIP) trust for compensation of directors (306,422 shares as of June 30, 2026; 128,887 shares as of December 31, 2025). The Company shares held by the BIP trust for compensation of directors are also included in the treasury shares to be subtracted in the calculation of the average number of shares outstanding during the period.

* The summary of financial results for the second quarter (first half) is exempt from review by certified public accountants or an audit firm.

* Cautionary statement regarding performance forecast
The forecast and future projections stated in this report have been prepared on the basis of the information and assumption that shall be reasonable as of the date of announcement of this summary information, and the forecast and future projections stated in this report are in no way intended as a promise of achievement as a company.

In addition, the actual results could differ significantly from forecast figures depending on a variety of factors. See "(3) Forward-looking Statements Including Consolidated Business Performance Forecast" under "1. Overview of Management Results and Related Matters" on page 5 regarding conditions which are preconditions for business performance forecast and cautions for using the business performance forecast.

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1. Overview of Management Results and Related Matters

(1) Overview of Management Results for the Period Under Review

1) Performance Overview

During the first-half period under review, the Japanese economy was on a modest recovery path with personal consumption picking up. Meanwhile, close attention continued to be paid to the impact of escalating tensions in the Middle East. In the global economy, while a moderate recovery continued despite sluggishness in some regions, the outlook remained uncertain due to the emergence of geopolitical risks, volatility in financial and capital markets, and U.S. policy developments among other factors.

Against this background, the Pigeon Group has launched its Ninth Medium-Term Management Plan (FY2026–FY2028). Under this plan, we are implementing measures aimed at achieving our new goal of sustained growth with profitability, leveraging the insights gained from our previous business restructuring efforts.

Specifically, based on three basic strategies (product strategy, regional strategy, and reinforcement of management foundations and steady implementation of ESG), we are pursuing a breakthrough in profitability in our existing business fields; concentrating investment to achieve a 20% global market share in the nursing bottle market within the next 10 years; and securing profitability through accelerated growth in the Americas and Europe Business and the Singapore Business, as well as stable growth in the Japan Business and the China Business. We are also strengthening our management foundation to ensure strategy execution through swift decision-making.

In addition to pursuing business growth, the Group implemented a range of measures to achieve its purpose, which is “to make the world more baby-friendly by furthering our commitment to understanding and addressing babies’ unique needs.”

During the first-half period under review, net sales increased across all business segments to total ¥58,977 million (up 9.8% YoY), due to strong sales of high-value-added products such as baby care appliances, baby foods, and skincare products in the Japan Business, as well as steady sales of core products including nursing bottles and nipples in overseas segments, primarily in the China Business. On the profit front, higher revenue increased gross profit, and an improvement in the gross profit margin YoY absorbed higher SG&A expenses, including growth investments. As a result, operating profit increased to ¥7,878 million (up 17.9% YoY), ordinary profit to ¥7,986 million (up 16.2% YoY), and profit attributable to owners of parent to ¥5,221 million (up 12.9% YoY).

The principal exchange rates used to translate revenues and expenses of overseas consolidated subsidiaries for the first-half period under review were as follows:

- US$1: 158.13 yen (148.50 yen)
- CNY1: 23.04 yen (20.47 yen)

Note: Figures in parentheses represent the exchange rate in the same period of the previous fiscal year.

2) Segment Review

The Group has a total of four reportable segments: Japan Business, China Business, Singapore Business, and Americas and Europe Business.

Please note that, effective from the first-half period under review, the reportable segment previously presented as the Lansinoh Business has been renamed the Americas and Europe Business. This is a change in segment name and does not affect the segment information.

The overview of each segment’s performance is given below.

Japan Business

This segment consists of businesses such as the Baby Care Business, Child Care Service Business, and Health & Elder Care Business. Net sales for the entire segment amounted to ¥19,780 million (up 7.1% YoY), and segment profit was ¥1,744 million (up 57.5% YoY).

In the Baby Care Business (childcare and feminine products), sales expanded YoY, buoyed by growth in high-value-added products such as baby care appliances, baby foods, and skincare products. As for new products, we launched “Bonyu Jikkan® Sheer” nursing bottles and nipples featuring a translucent design and using nipples made with silicone from eco-friendly materials; “Sukusuku Tablets Strawberry Flavor” designed for toddlers who often lack in vegetable intake; “kaorigocochi,” a baby massage oil designed to enrich the time parents and children spend together; and “Mahou no Awa-awa (Magic Foam) Body Wash” and “Mahou no Awa-awa Shampoo” through Pigeon Kids. As such, we are strengthening our efforts to expand LTV (Lifetime Value) by offering ‘age-up’ products (products for toddlers and preschoolers) beyond baby care items.

In terms of sales channels, offline sales improved, and our own e-commerce platform showed robust growth YoY.

As part of its communication initiatives, the Group has been working to continuously strengthen its brand by promoting products and sales through pre-release product trial events and social-media sites, as well as holding seminars for medical practitioners.

In the Health & Elder Care Business, we enhanced proposals to add value to existing products under our core brand Habinurse and focused on improving profitability through efficient business operations.

Regarding the Child Care Service Business, we currently provide services at 51 in-company childcare facilities, and will continue to develop this business further while striving to improve the quality of service content.

Overall, earnings in this segment rose significantly YoY, thanks to increased gross profit resulting from expanded sales of high-value-added products and other factors, as well as reduced ratio of SG&A expenses.

China Business

Net sales in this segment amounted to ¥24,072 million (up 13.2% YoY), and segment profit was ¥6,136 million (up 7.7% YoY).

In mainland China, although sales of consumables and other products declined, growth in mainstay nursing bottles, nipples, and skincare products enabled net sales in local-currency terms to remain at approximately the same level YoY. In addition, we are enhancing competitiveness through new product launches—including nursing bottles and nipples using new nipple materials, as in the Japan Business, and UV-care products and shampoos under the well-received “Momo-no-ha (Peach leaves) Series.”

In terms of sales channels, growth continued, particularly online. As a result of intensifying promotions for new products and other offerings in preparation for “618 Shopping Festival”, the largest e-commerce sales event during the first-half period under review, sell-out through our flagship stores on major e-commerce platforms and other channels exceeded the level of the same period of the previous fiscal year.

In the South Korean and North American markets (Pigeon brand), where the Group operations are managed through this segment, we continued to strengthen our brand and carried out sales and marketing efforts starting with our local sales subsidiaries. In particular, in the North American market, sales of Pigeon brand baby care products, particularly nursing bottles and nipples, remained strong.

Overall, earnings in this segment rose YoY, as an increase in gross profit due to higher sales and other factors absorbed SG&A expenses.

Singapore Business

Net sales of the segment amounted to ¥7,287 million (up 1.2% YoY), and segment profit was ¥1,059 million (down 4.9% YoY).

In the ASEAN region, India, and other markets, where Group operations are managed through this segment, some shipments to the Middle East were suspended due to the situation in the region. Nevertheless, sales of mainstay products, particularly nursing bottles and nipples, remained solid, and net sales were broadly in line with the same period of the previous fiscal year. In particular, sales in Malaysia and Australia continued to remain strong. In addition, we began introducing strategic products in the Indonesian market to strengthen sales of wide-neck nursing bottles. We will continue to target customers in the upper-middle class and higher income brackets, for example by deploying vigorous sales and marketing activities centered on our core products of nursing bottles, nipples, and baby skincare products, and by further driving the penetration of wide-neck nursing bottles and nipples.

Overall, earnings in this segment declined YoY due partly to the impact of the situation in the Middle East, despite an improvement in the gross profit margin, among other factors, driven by the growth in highly profitable wide-neck nursing bottles and nipples.

Americas and Europe Business
Net sales of the segment amounted to ¥12,239 million (up 15.3% YoY), and segment profit was ¥928 million (up 90.9% YoY).

In North America, a vital market for this segment, sales of nursing bottles and nipples increased significantly as a result of strengthening promotional initiatives to acquire new customers and increase brand awareness, and sales of mainstay products such as nipple creams also remained solid. However, net sales in local-currency terms decreased YoY due to intensifying competition and other factors in the breast-pump category and consumables. In Europe, net sales increased significantly across all major countries, including Germany, the United Kingdom, Turkey, and France. Sales of nursing bottles, nipples, and breast pumps were strong, and net sales in local-currency terms increased YoY.

Overall, earnings in this segment increased YoY, absorbing marketing expenses to strengthen our presence in the U.S. market for nursing bottles and nipples.

(2) Overview of Financial Position for the Period Under Review

(Assets)

As of June 30, 2026, the Group recorded total assets of ¥115,267 million, up ¥5,178 million from the end of the previous fiscal year. Current assets increased by ¥4,749 million, while non-current assets increased by ¥429 million.

Current assets increased mainly due to increases in notes and accounts receivable – trade of ¥4,906 million, raw materials and supplies of ¥1,745 million, and other current assets of ¥763 million, despite a decrease in cash and deposits of ¥3,338 million.

Non-current assets increased mainly due to increases in buildings and structures of ¥267 million and investments and other assets of ¥189 million.

(Liabilities)

As of June 30, 2026, the Group recorded total liabilities of ¥26,934 million, up ¥2,732 million from the end of the previous fiscal year. Current liabilities increased by ¥2,232 million, while non-current liabilities increased by ¥500 million.

Current liabilities increased mainly due to increases in notes and accounts payable – trade of ¥1,484 million and other current liabilities of ¥778 million.

Non-current liabilities increased mainly due to an increase in other non-current liabilities of ¥477 million.

(Net Assets)

As of June 30, 2026, the Group recorded total net assets of ¥88,333 million, up ¥2,445 million from the end of the previous fiscal year.

Net assets increased mainly due to an increase in foreign currency translation adjustment of ¥2,196 million.

(3) Forward-looking Statements Including Consolidated Business Performance Forecast

The business environment surrounding the Pigeon Group's core business of childcare and feminine products has been affected by various factors. These include a global trend of declining birth rates, particularly in Japan and China; rising prices; changes in consumers' values, purchasing behavior, and child-rearing styles; and intensified market competition driven by the emergence of local brands. Additionally, in light of rising geopolitical risks and developments in economic policies across countries, uncertainty about prospects for the global economy is intensifying, and forecasting remains as difficult as ever.

Notwithstanding the above concerns, consumption rates can be expected to rise over the medium-to-long term in China, which is still a vast market, and in other Asian countries and emerging economies characterized by large numbers of births and continued economic growth. Furthermore, the Group sees considerable room for growth by creating new demand in Japan, making concerted efforts to expand the baby product business in North America and Europe, and developing markets in which the Pigeon Group has not yet entered.

The current fiscal year ending December 31, 2026 is the first year of the Group's newly launched 9th Medium-Term Management Plan. In this first year of the Plan, the Group will steadily implement various measures in line with the three basic strategies set forth, aiming to achieve sustainable growth with profitability.

For the full-year business performance forecasts for the current fiscal year, we have left unchanged the forecast figures announced at the time of the financial results announcement dated February 13, 2026. Meanwhile, given the ongoing situation in the Middle East, forecasting the impact of raw material price fluctuations and other factors on our business performance remains extremely challenging. Should it become necessary to revise the business performance forecasts going forward, we will promptly make an appropriate disclosure.

2. Semi-annual Consolidated Financial Statements and Main Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
ASSETS		
I. Current Assets:		
Cash and deposits	39,609	36,271
Notes and accounts receivable – trade	18,642	23,548
Merchandise and finished goods	12,600	13,186
Work in process	658	751
Raw materials and supplies	3,006	4,752
Other	2,097	2,860
Allowance for doubtful accounts	(52)	(60)
Total Current Assets	76,561	81,310
II. Non-current Assets:		
1. Property, Plant and Equipment:		
Buildings and structures, net	12,036	12,304
Land	7,351	7,327
Other, net	10,287	10,243
Total Property, Plant and Equipment	29,676	29,875
2. Intangible Assets:		
Other	1,179	1,219
Total Intangible Assets	1,179	1,219
3. Investments and Other Assets:		
Other	2,671	2,861
Total Investments and Other Assets	2,671	2,861
Total Non-current Assets	33,527	33,956
Total Assets	110,088	115,267
LIABILITIES		
I. Current Liabilities:		
Notes and accounts payable – trade	5,121	6,606
Electronically recorded obligations – operating	366	506
Income taxes payable	1,128	1,165
Provision for bonuses	1,119	956
Provision for expenses related to voluntary product recall	144	100
Other	10,246	11,025
Total Current Liabilities	18,127	20,360
II. Non-current Liabilities:		
Retirement benefit liability	752	746
Provision for bonuses	–	45
Provision for share awards	129	112
Other	5,191	5,669
Total Non-current Liabilities	6,073	6,574
Total Liabilities	24,201	26,934

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
NET ASSETS		
I. Shareholders' Equity:		
Share capital	5,199	5,199
Capital surplus	5,132	5,132
Retained earnings	57,717	58,366
Treasury shares	(1,360)	(1,673)
Total Shareholders' Equity	66,689	67,024
II. Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	32	25
Foreign currency translation adjustment	16,194	18,391
Total Accumulated Other Comprehensive Income	16,227	18,416
III. Non-controlling Interests	2,970	2,891
Total Net Assets	85,887	88,333
Total Liabilities and Net Assets	110,088	115,267

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
I. Net Sales	53,734	58,977
II. Cost of Sales	26,500	28,868
Gross profit	27,234	30,108
III. Selling, General and Administrative Expenses	20,549	22,230
Operating Profit	6,684	7,878
IV. Non-operating Income:		
Interest income	189	148
Dividend income	11	11
Subsidy income	211	84
Other	81	88
Total Non-operating Income	494	333
V. Non-operating Expenses:		
Interest expenses	33	33
Foreign exchange losses	250	173
Other	18	17
Total Non-operating Expenses	303	224
Ordinary Profit	6,875	7,986
VI. Extraordinary Income:		
Gain on sale of non-current assets	3	20
Compensation for damage	361	–
Total Extraordinary Income	365	20
VII. Extraordinary Losses:		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	20	21
Expenses related to voluntary product recall	454	–
Loss on liquidation of business	–	89
Total Extraordinary Losses	475	112
Profit before Income Taxes	6,764	7,895
Income taxes – current	2,138	2,372
Income taxes – deferred	(102)	168
Total Income Taxes	2,036	2,540
Profit	4,728	5,354
Profit Attributable to Non-controlling Interests	103	132
Profit Attributable to Owners of Parent	4,624	5,221

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	4,728	5,354
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(4)	(6)
Foreign currency translation adjustment	(3,354)	2,130
Total Other Comprehensive Income	(3,358)	2,124
Comprehensive Income	1,370	7,478
Comprehensive Income Attributable to:		
Owners of parent	1,428	7,411
Non-controlling interests	(58)	67

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash Flows from Operating Activities		
Profit before income taxes	6,764	7,895
Depreciation	2,281	2,395
Amortization of goodwill	19	–
Increase (decrease) in allowance for doubtful accounts	1	6
Increase (decrease) in provision for bonuses	(71)	(127)
Increase (decrease) in provision for expenses related to voluntary product recall	450	(44)
Increase (decrease) in retirement benefit liability	45	6
Interest and dividend income	(201)	(160)
Interest expenses	33	33
Gain on compensation for damage	(361)	–
Loss (gain) on sale of non-current assets	(2)	(19)
Loss on retirement of non-current assets	20	21
Loss on liquidation of business	–	54
Decrease (increase) in trade receivables	(4,506)	(3,750)
Decrease (increase) in inventories	(1,071)	(1,882)
Increase (decrease) in trade payables	1,519	1,063
Increase (decrease) in accounts payable – other	1,604	654
Increase (decrease) in accrued consumption taxes	137	323
Other, net	(1,099)	(1,161)
Subtotal	5,565	5,307
Interest and dividends received	154	172
Interest paid	(31)	(33)
Compensation received for damage	361	–
Income taxes paid	(2,082)	(2,299)
Net Cash Provided by (Used in) Operating Activities	3,967	3,146
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,522)	(1,547)
Proceeds from sale of property, plant and equipment	6	137
Purchase of intangible assets	(191)	(273)
Purchase of investment securities	–	(7)
Other, net	(39)	(211)
Net Cash Provided by (Used in) Investing Activities	(1,745)	(1,902)
Cash Flows from Financing Activities		
Dividends paid	(4,551)	(4,548)
Dividends paid to non-controlling interests	(854)	(146)
Purchase of treasury shares	(0)	(358)
Proceeds from disposal of treasury shares	74	23
Other, net	(453)	(511)
Net Cash Provided by (Used in) Financing Activities	(5,784)	(5,542)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(1,567)	959
Net Increase (Decrease) in Cash and Cash Equivalents	(5,130)	(3,338)
Cash and Cash Equivalents at Beginning of Period	39,201	39,609
Cash and Cash Equivalents at End of Period	34,071	36,271

(4) Notes on Semi-annual Consolidated Financial Statements

(Notes on Segment Information etc.)

Segment Information

I. Six months ended June 30, 2025

1. Information Regarding Net Sales and Profit (Loss) in Each Reportable Segment

(Millions of yen)

	Reportable Segment				Total	Adjustments (Note 1)	Amount recorded in the semi-annual consolidated statement of income (Note 2)
	Japan Business	China Business	Singapore Business	Americas and Europe Business			
Net sales							
Net sales to external customers	17,721	20,569	4,838	10,605	53,734	–	53,734
Internal sales or exchange between segments	755	704	2,361	7	3,829	(3,829)	–
Total	18,476	21,274	7,200	10,613	57,564	(3,829)	53,734
Segment profit	1,107	5,696	1,113	486	8,404	(1,719)	6,684

(Notes)
1. The negative amount of ¥1,719 million of adjustments to segment profit includes negative ¥22 million in elimination of intersegment transactions and negative ¥1,696 million in unallocated operating expenses. Unallocated operating expenses are expenses related to the Company’s administrative departments and other functions.
2. Segment profit is adjusted to operating profit in the semi-annual consolidated statement of income.

II. Six months ended June 30, 2026

1. Information Regarding Net Sales and Profit (Loss) in Each Reportable Segment

(Millions of yen)

	Reportable Segment				Total	Adjustments (Note 1)	Amount recorded in the semi-annual consolidated statement of income (Note 2)
	Japan Business	China Business	Singapore Business	Americas and Europe Business			
Net sales							
Net sales to external customers	18,619	23,348	4,777	12,232	58,977	–	58,977
Internal sales or exchange between segments	1,161	724	2,509	6	4,402	(4,402)	–
Total	19,780	24,072	7,287	12,239	63,379	(4,402)	58,977
Segment profit	1,744	6,136	1,059	928	9,869	(1,991)	7,878

(Notes)
1. The negative amount of ¥1,991 million of adjustments to segment profit includes negative ¥25 million in elimination of intersegment transactions and negative ¥1,965 million in unallocated operating expenses. Unallocated operating expenses are expenses related to the Company’s administrative departments and other functions.
2. Segment profit is adjusted to operating profit in the semi-annual consolidated statement of income.

2. Matters Related to Changes in Reportable Segments

(Change in Segment Name)

Effective from the first-half period under review, the reportable segment previously presented as the Lansinoh Business has been renamed the Americas and Europe Business. This is a change in segment name and does not affect the segment information. In addition, segment information for the corresponding first-half period of the previous year has been restated under the renamed segment name.

(Notes Regarding Substantial Changes in Shareholders’ Equity)

Not applicable.

(Notes Regarding Going Concern Assumptions)

Not applicable.