

Acquisition of Eleeo Brands

Pigeon Corporation

Stock Code: 7956
November 16, 2026

Strategic Rationale

Realize the "Acceleration of the Americas Business" as outlined in the 9th Medium-Term Business Plan.

Accelerate sustainable and profitable growth by expanding our business scale in the US market and acquiring a new foundation for global growth

1 Expanding Business Scale in the US Market

- Acquire niche-top brands with high awareness in the US market
- Acquire a robust nationwide e-commerce and retail distribution network
- Enhance customer lifetime value through product portfolio expansion

2 Acquiring a New Global Growth Platform

- Speedy product development capabilities driven by a fabless model
- Brand management and incubation capabilities

3 Strengthening Profitability and Business Structure Across the Pigeon Group

- Improve consolidated profitability through the acquisition of high-growth, high-margin businesses
- Diversify the regional portfolio
- Create synergies with our global sales network and R&D domain

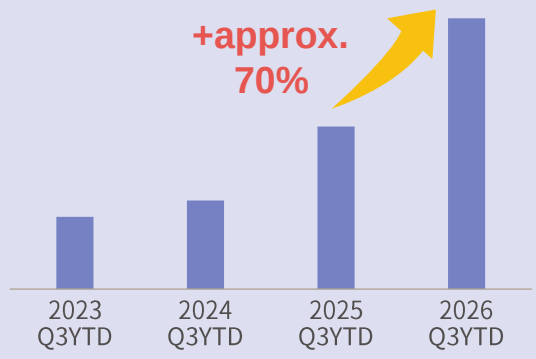
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U.S. Business: Growing Bottle & Nipple Share Sales

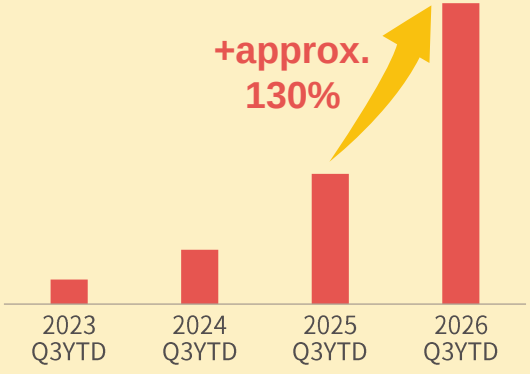
On track toward expanding US market sales; we aim to achieve it through organic growth

Sales Trends for Nursing Bottles and Nipples in North America*

Lansinoh



Pigeon



Bottle & Nipple growth on track

- Sales of Pigeon and Lansinoh bottles and nipples remain strong in North America
- Both Lansinoh and Pigeon have been growing into leading positions in the U.S.
- Solid traction toward achieving our Medium-Term Business Plan targets on an organic basis

Accelerating further
via acquired capabilities

Retailer ties
More shelf & promo space

Agile development
Fast launches that meet market needs

Profit Maximization
Expanding our customer base from pregnancy to women's wellbeing

*Source: North American market share and sales trends are based on Pigeon's internal research.

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Transaction Overview

Acquire 100% of Eleeo Brands via a U.S. subsidiary, becoming wholly owned in January 2027

Target	**Eleeo Brands LLC (Cincinnati, Ohio, U.S.)** **Baby & mom care company with the “Boogie,” “Earth Mama” and “Dapple” brands**
Structure	• **Acquire 100% of the membership interests for cash via a U.S. subsidiary to be established (asset acquisition)** • **Sellers: an SPC under North American Properties and two co-founders**
Consideration	**Enterprise value (EV): US$373M (approx. ¥59.7bn)(1) (cash-free, debt-free basis)** **Approx. 13.9x 2026E EBITDA** **Approx. 12.2x on an effective basis after tax benefits(2)**
Financing	**Cash on hand and bank borrowings (no new share issuance)** **To be repaid primarily from Eleeo’s cash flow**
Timeline	**Closing (wholly owned subsidiary) expected in January 8 , 2027, subject to regulatory filings**

Notes: 1. Converted at US$1 = ¥160
2. Treated as an asset acquisition for U.S. tax purposes, generating tax savings from 15-year tax amortization of goodwill, etc. (approx. US$5.7M per year; present value approx. US$46M at a 10% discount rate). Effective multiple = (EV – present value of tax benefits) / 2026E EBITDA (Reported)

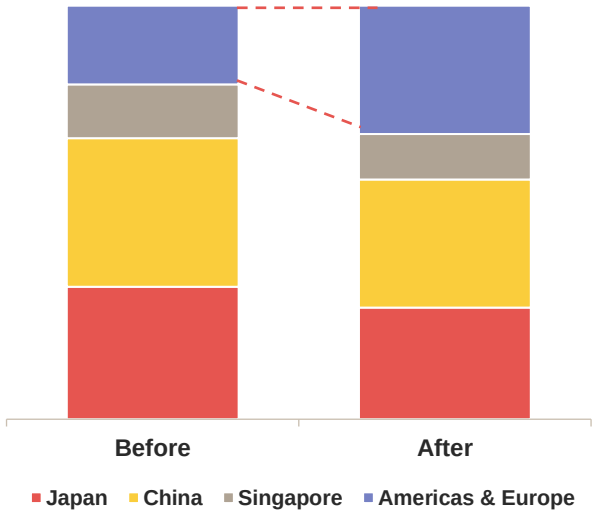
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Expected Financial Impact

Achieve expansion of the Americas and Europe business and an increase in consolidated profit margins while maintaining financial discipline, aiming to enhance corporate value over the medium to long term.

Sales mix by region

Illustrative



Greater scale

Americas & Europe rise from ~20% to ~30% of sales, with a growing profit contribution
Further diversifies our regional portfolio

Higher profitability

Adds a high-margin business (EBITDA margin 20%+), lifting consolidated margins

EPS contribution

Goodwill amortization impact under review
EPS expected to increase upon IFRS adoption (under consideration)

Financial discipline

Debt repaid mainly from Eleeo's cash flow
No change to dividend policy currently planned
No new share issuance expected

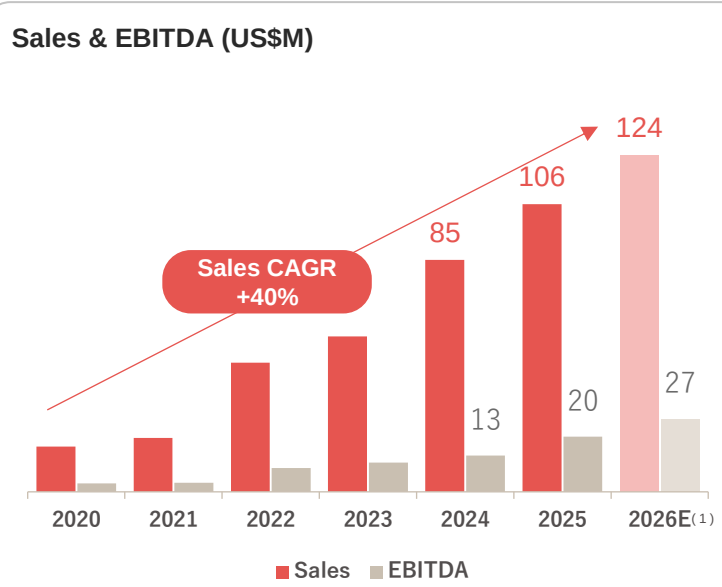
Impact on FY2027 consolidated results is under review; to be reflected in the forecast announced in February 2027

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Eleeo Overview (1): At a Glance

A U.S.-based baby & mom care company delivering high growth and profitability with leading niche brands since 2020

- **U.S.-based baby & mom care brand company**
- **2020** — Founded (Ohio, U.S.)
- **~60** — Employees
- **High growth & high margins**
- **~40%** — Sales CAGR (2020–2026E)(1)
- **~21.7%** — EBITDA margin (2026E)(1)
- **Well-known brands** (Boogie, earth mama ORGANICS, dapple baby)
- **~80-90%** — Awareness of 3 key brands(2)
- **150K+** — U.S. points of sale (Boogie)



EBITDA margin:
15.6% (2024) → 19.2% (2025) → 21.7% (2026E)

Notes: 1. 2020–2025 are reported figures; 2026E is the company forecast (reported, CIM basis) 2. Excerpt from Eleeo's CIM

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Eleeo Overview (2): Brand Portfolio

Three brands with top-class awareness in niche baby & mom care categories

Boogie BRAND — Nasal & allergy care



Category Leader — Pediatric saline market

94% — Brand awareness(1)

Began with saline nasal wipes; sold at 150,000+ U.S. locations

2025 sales mix(2) **45%**

earth mama ORGANICS — Organic mom & baby care



87% — Brand awareness(1)

57% — Sales CAGR (2024→26E)

Covers pregnancy to early childhood; trusted and used in NICUs nationwide

2025 sales mix(2) **26%**

dapple baby — Baby washing & cleaning



Category Leader — Bottle & baby dish soap market

78% — Brand awareness(1)

Plant-based soaps designed for milk residue; sold at 100,000+ U.S. locations

2025 sales mix(2) **29%**

Source: Eleeo's CIM Notes: 1. Aided awareness basis 2. Sales mix based on net sales by brand (2025 actual)

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Eleeo Overview (3): Key Strengths

Achieving high profitability and sustainable growth under exceptional management, driven by a portfolio of strong brands, a nationwide distribution network, and agile development capabilities

Leading niche brands

3 brands

Leading brands in niche categories

- Created new categories in less-contested niches
- Valued by major retailers for strong brand equity and repeat purchases
- Proven ability to rapidly scale acquired brands (strong brand management)

Nationwide distribution network

150K+

U.S. points of sale (Boogie)

- Strong sales on Amazon and other major e-commerce platforms
- Prime shelf positions at major retailers such as Target and Walmart
- Nationwide distribution across e-commerce and stores

Agile product development

Asset-light

Focuses on planning & development with outsourced manufacturing

- Close buyer ties and POS analysis to quickly spot unmet needs
- Contract manufacturing enables fast, continuous launches
- Minimal capex resulting in strong cash generation

Strong management & organization

Led by two experienced co-founders, with functional teams driving growth across brands, delivering high profitability and strong cash generation

Source: Company materials, business due diligence (including interviews with major retailers)

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Our Shared Growth Story

By combining the strengths of both companies, we will promote phased value creation, starting from Eleeo's standalone business growth, progressing to realizing synergies in North America, and further expanding globally

Expanding global presence in baby & mom care

Phased value creation — Maximizing corporate value



• Management continuity
• Continuous new launches

STEP 1 | Short-term
Accelerate Eleeo's growth

• Cross-selling with Lansinoh
• Sales, procurement & logistics efficiencies
• Mutual sharing of know-how and expertise

STEP 2 | Mid-term
North American business synergies

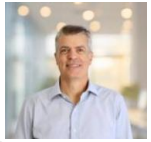
• Europe (Lansinoh channels)
• Asia (Pigeon channels)

STEP 3 | Mid–to – long term
Global expansion

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Eleeo Management Team & Governance

Proven management team led by the two co-founders stays on to drive growth



Richard T. Palmer
CEO & Co-Founder

- 30+ years' experience (P&G, Deloitte, EY); co-founded Nehemiah Manufacturing[1] in 2009
- Has led the acquisition and growth of Earth Mama and Dapple since founding Eleeo in 2020



Mark J. Wuellner
SVP, Sales & Co-Founder

- 20+ years' experience (Deloitte, Cascades); co-founded Nehemiah Manufacturing [1]
- Heads sales, growing major e-commerce and retail accounts



Brett Clark
Chief Financial Officer

- 30+ years' experience (Sara Lee, Deloitte)
- Oversees finance and accounting



Joe Mumper
Director of Operations

- 25+ years' experience (Accenture)
- Oversees procurement and contract vendors for manufacturing and development



Kathleen Judkins
Director of Marketing

- 25+ years' experience (P&G, Mattel, Nehemiah Manufacturing)
- Oversees research-driven marketing strategy

Post-Acquisition Governance Policy

Management retention
The current management team—including the CEO, SVP, and heads of finance, operations, and marketing—continues to run the business

Long-term growth framework
Establishing a framework where current management and Pigeon work together toward shared mid- to long-term growth goals

Autonomous management approach
While respecting the autonomous management of the current team, Pigeon Headquarters directly monitors operations and aims to maximize synergies through a joint committee

Note: 1. In 2020, the Boogie business was spun off from the company to form Eleeo

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Complementary Product Portfolios in the U.S Market

By adding Eleeo to our core product lineup, we will complement and expand our maternity, baby care, and women's care offerings in the U.S., aiming to maximize customer value and revenue opportunities

U.S. product portfolio

	Category	Pigeon Group	Eleeo
Core	Bottles & nipples	Pigeon / Lansinoh	–
	Breast pumps incl. milk storage	Lansinoh	–
	Skincare diaper balm, lotion, etc.	–	Earth Mama / Boogie
	Oral care	–	–
Sub-core	Women's care breastfeeding, pregnancy, postpartum	Lansinoh	Earth Mama
	Drinking cups	Pigeon / Lansinoh	–
	Baby food	–	–
	Baby appliances	–	–
Eleeo only	Nasal care saline wipes, sprays, etc.	–	Boogie
	Insect repellent	–	Boogie
	Bottle & dish soap	–	Dapple
	Breast pump cleaner	–	Dapple
	Laundry detergent	–	Dapple
	Multi-purpose wipes	–	Dapple

Note: Main product categories offered in the U.S. (compiled by Pigeon from each company's website)

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Celebrate babies the way they are
pigeon