

No. 1 Nursing Bottle by market share in Japan and China,
based on over 60 years of breastfeeding research

SofTouch III Series for Release in China

New Products to Hit Chinese Market on Thursday, September 23, 2021

Tokyo, September 22—Pigeon Corporation (Head Office: Tokyo, President and CEO: Norimasa Kitazawa) today announced a major update to its SofTouch nursing bottle series sold in China (also known in Japan under the product name “Bonyu Jikkan” and in China under “Ziran Shigan”). A third generation of SofTouch products, known as “SofTouch III,” will be available in China from key online retailers and selected physical stores from Thursday, 23 September, 2021, with a full launch in other Japanese and Chinese channels planned for February 2022.



▲SofTouch III bottles, showcasing their simple design using white as global key color

SofTouch nursing bottles are used in many Japanese hospitals and maternity clinics,¹ and have the top share² of the country’s nursing bottle market. In China, the SofTouch brand is known for trustworthiness and product safety, and has been embraced by parents from a wide range of generations, including the “Post-80s,” “Post-90s,” and “Post-95s.”³ Aided by positive word of mouth, the brand has also achieved a No. 1 position by market share in China.⁴ Against this background, along with the approval of China’s new “Three-child policy” approved in August 2021, Pigeon decided to launch SofTouch III in China first, recognizing the rising prospects for future growth of its China business. Advance sales of SofTouch III products will be available in China from key online retailers like Tmall and JD.com, along with selected baby product chain stores.

One feature of the SofTouch III series is the new Latch-on Line on the nipple. Latching on is one of the “Three Key Factors of Sucking” for babies, and the Latch-on Line guides babies to the appropriate depth to securely latch on to the nipple, making feeding more effective and ensuring peace of mind even for parents bottle-feeding their babies for the first time. The SofTouch III nipple is made of newly developed silicone rubber in order to approach the softness and elasticity of a mother’s nipple, letting babies use natural smooth tongue motions that they do when nursing directly from the breast. The result is a product based on the

“Three Key Factors of Sucking” (latching on, peristaltic tongue movement, and swallowing), identified and analyzed through more than 60 years of continuing breastfeeding research, designed to come closer than any previous product to allowing babies to nurse using natural motions as when nursing directly at the breast.

A range of designs will be available, from the basic bottle, which uses white as a globally shared key tone to evoke a sense of purity, to special “design bottles” featuring illustrations of animals and other unique designs created for individual countries to add fun and color to family life.

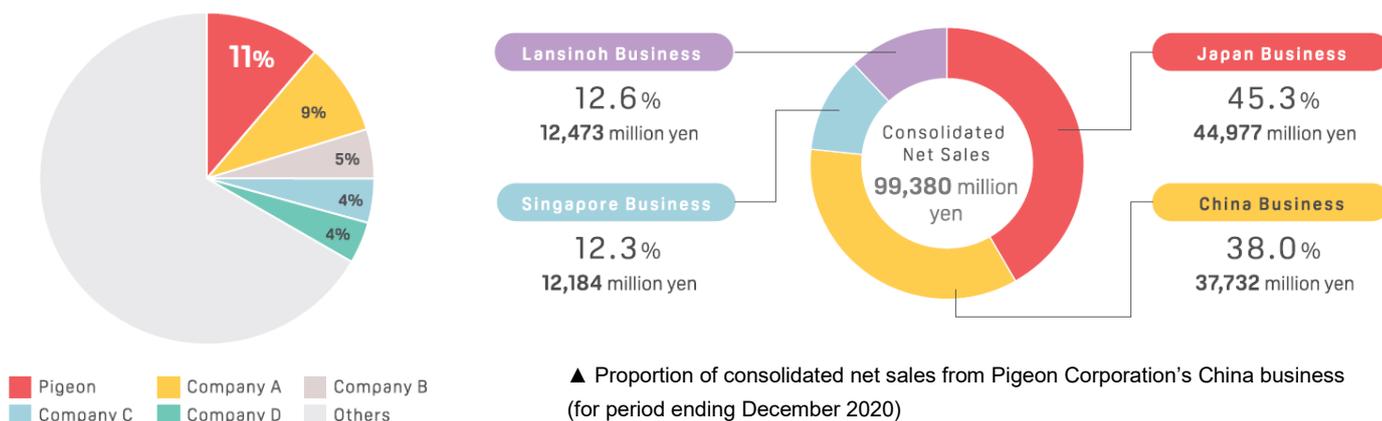
Softouch III is a new advance in Pigeon Corporation’s efforts to provide parents with the value of being able to continue feeding breast milk to their babies at any time with peace of mind, even when direct breastfeeding is not possible. The company aims to increase its current market share of over 40% of the Chinese market⁵ to over 50% within a few years, and grow the business of the entire Pigeon Group.

1. Based on Pigeon research during visits to hospitals and clinics in 2020 (total of direct attachment nursing bottles and cap-style nursing bottles).
2. Based on Pigeon’s research (12-month average for 2020; from estimated expansion figures for Intage POS national baby product stores and drugstores combined).
3. Terms used to refer to generations in China. “Post-80s” were born in the 1980s under the one-child policy, “Post-90s” born after 1990, and “Post-95s” born between 1995 and 1999.
- 4, 5. Both based on Pigeon’s research (based on sellout data/value).

Global Nursing Bottle Share and Pigeon’s China Business

The first generation of Softouch products, which went on sale in 2010 in Japan, sold over 140 million bottles and 290 million nipples around the world in the eleven years to 2020. Sales rose every year, and Pigeon currently has an 11% global share of the global baby bottle market—the number 1 share in the world.⁶

Over the same period, Pigeon’s China business grew to 38% of the company’s total sales, making a higher contribution to sales and net profit every year.



▲ Proportion of consolidated net sales from Pigeon Corporation’s China business (for period ending December 2020)

6. ▲ World share of nursing bottles in 2020 (by value)

Overview: Select Chinese Market SofTouch III Products

Product name	SofTouch III Glass	SofTouch III Plastic (PPSU)	SofTouch III Plastic (PP)
Product images			
Capacity	80 ml, 160 ml, 240 ml	80 ml, 160 ml, 240 ml, 330 ml	160 ml, 240 ml, 330 ml
Recommended ages	80 ml: 0 months and up 160 ml: 1 month and up 240 ml: 3 months and up 330 ml: 6 months and up (160 ml PP: 0 months and up)		
Pricing (including tax)	80 ml: 139 RMB 160 ml: 149 RMB 240 ml: 159 RMB	80ml: 119 RMB 160ml: 129 RMB 240ml: 149 RMB 330ml: 169 RMB	160ml: 79 RMB 240ml: 82 RMB 330ml: 85 RMB
URL	https://www.pigeon.cn		

Design Bottles for Chinese Market

To reach Generation Z parents, who prefer unique products and do not wish to compromise on design, Pigeon has created a diverse lineup of design bottles.



Release Date by Business

SofTouch III will be released in stages to various markets, starting with Pigeon's China business.

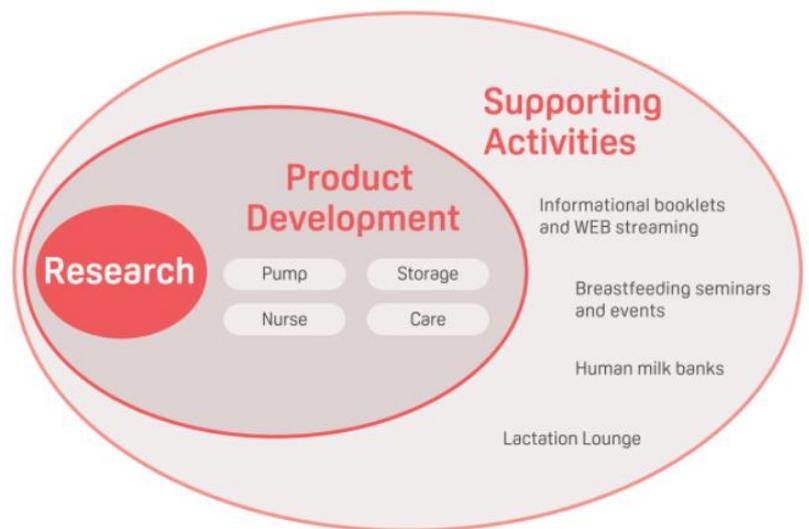
●China Business: On sale from Thursday, September 23, 2021, initially beginning with key online retailers and baby product chains

●Japan Business: Rollout planned from February 2022 in key baby product stores and other retailers across the country

●Singapore Business: Rollout planned in Southeast Asia starting from summer 2022

Pigeon's Commitment to Support Breastfeeding

Through appropriate information, products, and services, Pigeon supports breastfeeding for as long as mother and child wish. In cases where breastfeeding is difficult, for whatever reason, Pigeon offers a full range of products and solutions for healthy child development.



Pigeon's Aims for SofTouch

Pigeon seeks to create nursing bottles that let babies use the natural sucking movements that they do when breastfeeding, to prevent any difficulties nursing breast milk. SofTouch is the result of research and development with the goal of making it possible for mothers return to direct breastfeeding even if temporarily using nursing bottles became necessary for any reason.

Note: SofTouch nursing bottle line sold in China (also known in Japan under the product name "Bonyu Jikkan" and in China under "Ziran Shigan")