






Key Issues (Materiality)	What We Aim to Achieve	Individual Issues	2025 targets	2023 Progress	Action/Review
<div>Enhancing Business Competitiveness and Resilience</div> <div></div>	Becoming an indispensable company by building a robust framework for the creation, production, and delivery of products and enhancing our corporate value over the medium to long term	Supporting nursing babies	<div>• Expand nursing bottles and other nursing-related products through nursing support for babies worldwide</div>	<div>• [Japan] Launched “T-Ester”^{***} in February 2023. Launched customized baby bottle in EC in November 2023.</div> <div>• [China] Launched the “Natural Weaning Series” of baby bottle feeders developed for older babies in 2023.</div> <div>• [Singapore] Strengthen sales of wide-Neck nursing bottle.</div> <div>***“T-Ester” is a registered trademark of Mitsubishi Gas Chemical Company, Inc.</div>	
		Supporting healthy baby skin development	<div>• Expand skincare products by supporting healthy baby skin development</div>	<div>• [Japan] Pigeon Home Products Corporation established a new factory.</div> <div>• [China] Launched the Ocean Moisture Skincare series.</div> <div>• [Singapore] Strengthened brand recognition and in-store exposure of the Natural Botanical Baby Skin Care Series.</div>	
		Creating new businesses	<div>• Create new businesses aimed at growing operations</div> <div>• Achieve net sales of at least ¥10 billion in new domains</div>	<div>• Sales in new business areas exceeded approximately 3 billion yen</div> <div>• Established a new business development meeting and strengthened the manufacturing system.</div> <div>• [Japan] Launched “ME. by Pigeon” as prenatal and postpartum women's care products in February 2023. The lineup of childcare appliances was expanded.</div>	
		Releasing products that exceed customer expectations		<div>• [China]Launched “Natural Weaning Series” for older babies. Expanded sales of Age-Up skin care products.</div> <div>• [Singapore]The Company entered the African market and established a local subsidiary in Kenya.</div>	
		Building resilient distribution systems	<div>• Establish resilient distribution systems to support childcare worldwide</div>	<div>• [Japan] Pigeon Home Products Corporation established a new factory and manufacturing capacity improved.</div>	
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<div>Reducing our Environmental Impact</div> <div></div>	Implementing the Pigeon Green Action Plan aimed at realizing decarbonization, a circular society, and coexistence with nature, to leave a rich earth for the future of babies born tomorrow	Reducing greenhouse gas emissions (Scope 1, 2, and 3)	<div>• Scope 1 & 2 GHG emissions: 70% reduction (compared to FY2018)</div> <div>• Scope 3 Category 1&12 GHG emissions: 25% reduction (compared to FY2021)</div>	<div>• Scope 1 & 2 GHG emissions: 11,392t-CO2e, 60% reduction (compared to FY2018)</div> <div>• Scope 3 GHG emissions:17% reduction (compared to FY2021)</div>	
		Circular manufacturing	<div>• Plant-derived or recycled materials in packaging: 50% by weight</div> <div>• Reusable/recyclable/compostable packaging: 100%</div>	<div>• Currently under review, including the proportion of plant-derived or recycled materials used</div> <div>• 81% (of SKUs)</div>	
		Using sustainable resources (paper and palm oil)	<div>• Sustainable paper usage rate in packaging: 100%</div> <div>• RSPO-certified sustainable palm oil usage rate in Pigeon-manufactured skincare/washing/cleaning products: 100% (including RSPO Credits)</div>	<div>• 58%(of SKUs)</div> <div>• 15%</div>	
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<div>Contributing to the Resolution of Social Issues</div> <div></div>	Helping to resolve social issues affecting babies and their families	New products and services for babies needing support	<div>• Develop new products and services to address the challenges faced by babies and their families requiring specialized support, such as those admitted to the neonatal intensive care unit (NICU)</div> <div>• Implement various activities to solve the issues surrounding babies and their families needing specialized support, including those in the NICU</div>	<div>• [Japan] In November 2023, held the “The Tiny Birth Cry Support Project Exhibition” to raise awareness of breast milk banks</div> <div>• [China] Supported the establishment of a breast milk bank as the first main partner of the “Breast Milk Bank Special Fund” of the Beijing Chun Miao Charity Foundation in China</div> <div>• [China] Continued support for babies with cleft lip and cleft palate. Held charity events</div> <div>• [Singapore] Continued support for babies with cleft lip and cleft palate. Held charity events in Singapore</div> <div>• Held seminars for general consumers around the world</div>	
		Expanding the use of products designed for maternity hospitals	<div>• Improve and expand the use of products designed for maternity hospitals</div>	<div>• [Japan] Held a photo exhibition to increase awareness of the “Precious Drop” colostrum collection support device</div> <div>• Held seminars for medical professionals around the world</div>	
		Promoting responsible procurement	<div>• Promote responsible procurement (human rights, labor, and environment) in collaboration with suppliers</div> <div>• Implementation of CSR procurement assessment</div> <div>• Conduct human rights due diligence</div>	<div>• Conducted CSR Procurement Assessment</div> <div>• Signed the UN Global Compact in September 2023</div>	
		Participating in and supporting communities	<div>• Engage in various social contribution activities</div>	<div>• [Japan] Implemented a class for learning about babies. Received the Incentive Award of the Ministry of Education, Culture, Sports, Science and Technology's Commendation for Companies Promoting Youth Experiential Activities in 2023</div> <div>• Implemented tree-planting activities and volunteer activities in various countries around the world</div>	
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<div>Managing Talent and Cultivating the Right Culture for Our Purpose</div> <div></div>	Cultivating an organizational culture in which diverse individuals resonate with the Pigeon Way and our Purpose; feel pride in the Company, their department, and their work; have an intrinsic motivation to contribute; and can embrace new challenges and express themselves to drive personal growth	Working environments that achieve self-fulfillment and growth	<div>• Take steps to become a motivating workplace where employees resonate with the Company's direction and proactively engage in their work</div> <div>• Improve scores in employee engagement surveys</div>	<div>• Pigeon Co., Ltd., PIGEON (SHANGHAI) CO., LTD., and PIGEON SINGAPORE PTE. LTD. conducted an employee engagement survey, and the engagement score for 2023 was 4.11.</div> <div>• Held Pigeon DNA, Pigeon Way, and Baby-Friendly Future Vision presentation meetings</div>	
		Ambitious organizational culture	<div>• Foster an organizational culture that embraces challenges where each employee can leverage their strengths to contribute to business expansion</div> <div>• [Japan]Hold the Pigeon Frontier Awards (PFA)*</div> <div>*Pigeon Frontier Awards (PFA) is a system to support employees' challenges</div>	<div>• [Japan] Implementation of PFA. 22 ideas were submitted and adopted 5 ideas</div>	
		Enriched investment in human resource development	<div>• Increase investment in human resource development to implement measures that grow the number of highly specialized personnel capable of adapting to changes in the external environment</div> <div>• Formulate the Personnel Development Policy and the Internal Environment Development Policy</div>	<div>• [Japan – Pigeon Corporation] Training to improve knowledge, skills, and abilities: 72,363 yen per person and 17 hours of training per person</div> <div>• [Japan – Pigeon Corporation] New training to select leader candidates</div>	
		Promoting Diversity, Equity&Inclusion	<div>• Promote the creation of a workplace environment where employees understand and embrace diversity, implementing measures that allow each employee to work authentically</div> <div>• [Japan – Pigeon Corporation] Ratio of female managers (Percentage of women managers and above) 30%</div> <div>• [Japan – Pigeon Corporation] Maintain 100% utilization rate of parental leave system take-up for male employees</div>	<div>• [Japan – Pigeon Corporation] Ratio of female managers: 26.8%</div> <div>• [Japan – Pigeon Corporation] The rate of parental leave system take-up for male employees is 100%. Average number of days of parental leave taken by male employees: 35 days</div>	
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<div>Establishing Solid Management Foundations</div> <div></div>	Reinforcing our GH0/4SBU structure and enhancing our corporate governance framework to encourage ambitious endeavors to boost corporate value over the medium to long term	Reinforcing Group governance	<div>• Promoting cash flow management</div> <div>Improvement of CCC (Cash Conversion)</div>	<div>• CCC: 122.9 days in FY2023</div>	
		Reinforcing compliance	<div>• Promotion of improvement measures based on the results of compliance monitoring conducted in 2023</div> <div>• Implementation of compliance training across the entire group</div>	<div>• Implementation of compliance monitoring across the entire group and consideration of improvement measures based on the results of that monitoring.</div> <div>• Training was conducted across the entire group, focusing on the internal reporting system and compliance policy.</div>	
		Reinforcing risk management	<div>• Convene the GH0 Risk Management Committee at least once a year</div> <div>• Implement Group-wide risk assessments annually</div>	<div>• 2 GH0 Risk Management Committee held</div> <div>• Risk assessment conducted</div>	
		Dialogue with stakeholders	<div>• Engage in dialogue with the capital markets and focus on the recovery and growth of Pigeon Value Added (PVA) to enhance corporate value</div>	<div>• “Implementation of measures to realize management conscious of cost of capital and stock price” External disclosure</div> <div>• Tour of new plant for analysts and institutional investors (Pigeon Home Products Corporation)</div>	