Summary of Financial Results
for the First Quarter of Fiscal Year Ending December 31, 2025
[Japanese Standards] (Consolidated)

May 13, 2025

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
Contact Person: Nobuo Takubo, Managing Officer, Business Strategy Division Manager / Tel: +81-3-3661-4204
Scheduled Commencement Date of Dividend Payments: –
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 First Quarter of Fiscal Year Ending December 31, 2025 (January 1 to March 31, 2025)

(1) Consolidated Operating Results (cumulative)

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
First quarter ended March 31, 2025	25,227	6.2%	3,193	18.4%	3,214	8.5%	2,331	22.3%
First quarter ended March 31, 2024	23,749	0.6%	2,697	(20.8)%	2,963	(21.8)%	1,906	(21.8)%

(Note) Comprehensive income: First quarter ended March 31, 2025 ¥(276) million (106.4% negative)
First quarter ended March 31, 2024 ¥4,337 million (32.5%)

	Net Income per Share (¥)	Diluted Net Income per Share (¥)
First quarter ended March 31, 2025	19.49	–
First quarter ended March 31, 2024	15.94	–

(2) Consolidated Financial Position

(Millions of yen, unless otherwise noted)

	Total Assets	Net Assets	Equity Ratio (%)
As of March 31, 2025	101,658	78,962	75.2
As of December 31, 2024	108,308	84,607	74.9

(Reference) Equity (Shareholders' equity + Accumulated other comprehensive income)
As of March 31, 2025 ¥76,468 million
As of December 31, 2024 ¥81,144 million

2. Cash Dividends

	Annual Dividend (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY ended December 31, 2024	–	38.00	–	38.00	76.00
FY ending December 31, 2025	–				
FY ending December 31, 2025 (Forecast)		38.00	–	38.00	76.00

(Note) Changes in dividend forecasts from the most recent announcement: None

3. Consolidated Business Performance Forecasts for the Fiscal Year Ending December 31, 2025 (January 1 to December 31, 2025)

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share (¥)
Full year	109,700	5.3%	12,900	6.3%	12,900	(2.9)%	8,400	0.3%	70.24

(Note) Revision of forecasts 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 the preparation of quarterly 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: Yes
2) Changes in accounting policies other than the above 1): None
3) Changes in accounting estimates: None
4) Restatements: None
(Note) For details, see the section “(3) Notes on Consolidated Financial Statements (Notes Regarding Changes in the Accounting Policies)” in “2. Quarterly Consolidated Financial Statements and Main Notes” on page 10 of the Appendix.

(4) Number of shares issued (common stock)
1) Number of shares issued at the period-end (including treasury stock)
As of March 31, 2025: 121,653,486 shares
As of December 31, 2024: 121,653,486 shares
2) Amount of treasury stock at the period-end
As of March 31, 2025: 2,043,868 shares
As of December 31, 2024: 2,064,269 shares
3) Average number of shares outstanding during the period (cumulative)
First quarter ended March 31, 2025: 119,592,615 shares
First quarter ended March 31, 2024: 119,589,665 shares
(Note) The amount of treasury stock at the period-end includes the Company shares held by the board incentive plan (BIP) trust for compensation of directors (149,487 shares as of March 31, 2025; 169,948 shares as of December 31, 2024). Company shares held by the BIP trust for compensation of directors are also included in the treasury stock subtracted in the calculation of the average number of shares outstanding during the period.

* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing corporations: None

* Cautionary Statement regarding Performance Forecasts
The forecasts 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 forecasts 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 the section “(3) Forward-looking Statements Including Consolidated Business Performance Forecasts” in “1. Overview of Operating Results and Related Matters” on page 4 regarding conditions which are preconditions for business performance forecasts and cautions for using the business performance forecast.

Table of Contents of the Appendix

1. Overview of Operating Results and Related Matters

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

1) Performance Overview

During the first-three-month period under review, the Japanese economy proceeded on a moderate recovery trend, with personal consumption picking up. In the global economy, while recovery trends were seen in some regions, the outlook is increasingly unclear, with a heightened risk of downturns due to the U.S. policy trends including trade policies.

Against this background, in 2023 the Pigeon Group is moving forward with its Eighth Medium-Term Business Plan (covering the period from the fiscal year ended December 2023 through the fiscal year ending December 2025). To respond flexibly to a business environment that continues to change rapidly worldwide, thereby ensuring itself of sustainable growth, the Group is steadily implementing three basic strategies (brand strategy, core product strategy and regional strategy). Guided by these strategies, the Group is focusing on pursuing sustainable growth in existing business fields and on exploring and cultivating new growth fields where it can deploy its unique expertise, thereby proactively rebuilding its operating structure. 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.”

Net sales for the first-three-month period under review amounted to ¥25,227 million (up 6.2% YOY) as the China Business and other overseas business performed strong, offsetting a decrease in net sales of the Japan Business caused in part by the transfer of a subsidiary shares during the previous year. One the profit front, higher net sales boosted gross profit, and the gross profit margin improved by 2.1 percentage points YOY, offsetting an increase in selling, general and administrative expenses. As a result, operating income increased to ¥3,193 million (up 18.4% YOY), ordinary income to ¥3,214 million (up 8.5% YOY), and net income attributable to owners of parent to ¥2,331 million (up 22.3% YOY).

The main exchange rates used in the preparation of this three-month period’s financial statements for the Company’s overseas consolidated subsidiaries (revenues and expenses) are as follows:

・1 US$: 152.62 yen (148.43 yen)
・1 CNY: 20.97 yen (20.65 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 Lansinoh Business. An outline of each segment 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 ¥8,635 million (down 1.1% YOY), and segment profit was ¥441 million (down 15.8% YOY).

In the Baby Care Business (childcare and feminine products), net sales increased YOY. While net sales of core products such as nursing bottles, nipples, and baby skincare fell below those for the same period of the previous fiscal year due in part to the absence of the initial shipping effect of the new product launched in February last year. In contrast, sales of SHUPOT, an electric nose cleaner for babies, and POCHItto, a steam disinfector and dryer for nursing bottles, both in the new category of childcare appliances, remained strong, and Electric Baby Nail File launched in August last year also performed favorably, contributing to an increase in net sales in the Baby Care Business. As new products, in February 2025, we launched Puchi Kids Foam Shampoo and Puchi Kids Conditioner, hair care products for two-year-old and up that cleanse dirt and odor of the scalp and hair of children with increased activities, which have been received favorably.

The Group conducted a number of initiatives in communications, as part of continuous efforts to reinforce its brand. The Group showcased products and promoted sales using social-media sites such as Instalive, and also held online seminars for medical practitioners.

In health and elder care, net sales decreased YOY due in part to the transfer of a subsidiary shares conducted on April 1, 2024. As a new product, in February 2025, we launched Jibundetaberu Meal Catch, meal aids that can be attached to habitual dishes to prevent food from falling from the dishes and help people who have difficulty moving their fingers and so on to enjoy their meals.

Regarding childcare service, we currently provide services at 53 in-house child-care facilities, and shall continue to develop this business further while striving to improve the quality of service content.

Overall, earnings in this segment declined YOY due to an increase in logistics costs and an increase in sales promotion expenses incurred for the launch of new products.

China Business

Net sales in this segment amounted to ¥9,372 million (up 12.2% YOY), and segment profit was ¥2,719 million (up 17.0% YOY).

In mainland China, the Group continued to expand brand exposure and strengthen sales promotion activities, which worked well last year, and net sales in local-currency terms increased YOY as a result. In terms of products, sales of core products such as nursing bottles and nipples and baby skincare continued to grow favorably. In addition, the Group launched new products such as large-capacity drinking bottles for children and continued to expand baby products and other products for older children to respond to the declining number of births. In consumer communications, following last year, the Group continued to expand brand exposure through social media such as Douyin, the mainland China version of the short-video platform TikTok, and RED, and local sellout remained solid.

In the South Korea and North American markets, where Group operations are managed through this segment, the Pigeon Group strengthened its brand and carried out marketing efforts, using local sales subsidiaries as their bases.

Overall, earnings in this segment increased YOY due to an increase in gross profit in line with the increased sales and an increase in sales composition ratio of highly profitable nursing bottles and nipples.

Singapore Business

Net sales of the segment amounted to ¥3,454 million (up 10.9% YOY), and segment profit was ¥504 million (up 42.6% YOY).

In the ASEAN region and India, where Group operations are managed through this segment, net sales rose YOY. Indonesian and Middle Eastern markets recovered steadily from shipping adjustments in the previous year. In the core product categories on which this business focuses, the Group continued to conduct brand renewal in major markets for its SofTouch™ Series of nursing bottles and nipples (marketed in Japan as Bonyu Jikkan®) and strengthen promotions of the SofTouch™ Drinking Straw Set and SofTouch™ Training Straw Set (marketed in mainland China as the Shizen Rinyu Series).

Overall, earnings in this segment increased YOY due to an increase in gross profit in line with the increased sales and the efficient use of selling, general and administrative expenses.

Lansinoh Business

Net sales of the segment amounted to ¥5,643 million (up 11.3% YOY), and segment profit increased to ¥465 million (up 7.5% YOY).

In North America, a vital market for this segment, sales of mainstay products such as nipple creams, breast milk storage bags, and breast milk pads, as well as nursing bottles and nipples on which this segment began to focus in 2025, remained steady, and net sales in local-currency terms increased

YOY as a result. Also in Europe, breast-pump products and prenatal and postnatal care products sold well in Germany and the U. K., and net sales in local-currency terms increased YOY.

Overall, earnings in this segment increased YOY due to an increase in gross profit in line with the increased sales.

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

(Assets)

As of March 31, 2025, our Group recorded total assets of ¥101,658 million, down ¥6,650 million from the end of the previous fiscal year. Current assets decreased by ¥5,323 million, while fixed assets decreased by ¥1,327 million.

Current assets decreased mainly due to a decrease in cash and deposits of ¥7,404 million, despite increases in merchandise and finished goods of ¥815 million and notes and accounts receivable – trade of ¥570 million.

Fixed assets decreased mainly due to decreases in buildings and structures of ¥701 million and other tangible fixed assets of ¥422 million.

(Liabilities)

As of March 31, 2025, our Group recorded total liabilities of ¥22,695 million, down ¥1,006 million from the end of the previous fiscal year. Current liabilities decreased by ¥546 million, while fixed liabilities decreased by ¥459 million.

Current liabilities decreased mainly due to a decrease in other current liabilities of ¥1,250 million, despite an increase in notes and accounts payable – trade of ¥723 million.

Fixed liabilities decreased mainly due to a decrease in other fixed liabilities of ¥473 million.

(Net Assets)

As of March 31, 2025, our Group recorded total net assets of ¥78,962 million, down ¥5,644 million from the end of the previous fiscal year.

Net assets decreased mainly due to decreases in foreign currency translation adjustment of ¥2,485 and retained earnings of ¥2,247 million.

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

The Pigeon Group’s main area of operations is in “childcare and feminine products.” As declining birth rates become a trend in the Group’s key markets of Japan and China, as well as many other regions in the world, the business environment enfolding this domain has been impacted by a wide variety of factors such as raising commodity prices caused by soaring prices for inputs such as materials and energies; changes in customers’ perspectives on value, consumption patterns, and child-rearing habits; and intensified competition caused by the emergence of local brands. Amid the dizzying pace of these changes in the business environment, uncertainty about prospects for the global economy is intensifying as international tensions and conflicts raise geopolitical risk. Forecasting remains as difficult as ever.

Notwithstanding the above concerns, cause for optimism remains. Despite its declining birthrate, China, the Group’s mainstay market, is still vast, with 9 million children born each year and a middle class that is growing rapidly. In other Asian countries and emerging economies, many countries are characterized by large numbers of births; as e-commerce spreads and develops and economies grow, consumption rates can be expected to rise over the medium-to-long term. Even in Japan, a mature market, changes in child-rearing habits and consumer behavior are expected to create new growth opportunities. In North America and Europe, where opportunities had hitherto been considered limited, the Group is making concerted efforts to expand the childcare product business. Looking at the worldwide picture, many markets remain in which the Pigeon Group has not yet entered. By strengthening and intensifying its business activities in these existing and new markets, the Group can achieve considerable growth going forward.

The current fiscal year ending December 31, 2025 is the final year of the Group's 8th Medium-Term Business Plan. In this final year of the Plan, the Group will strive to maximize results from its efforts in each business, responding to issues spelled out in the current Plan and seek out avenues for growth in the next Plan. 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 14, 2025. Meanwhile, the impact of the reciprocal tariffs partially imposed in the United States in April 2025 on the Group's business performance remains highly uncertain at this point in time. Should it become necessary to revise the business performance forecasts, we will promptly make an appropriate disclosure.

2. Quarterly Consolidated Financial Statements and Main Notes
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	At December 31, 2024	At March 31, 2025
ASSETS		
I. Current Assets:		
Cash and deposits	39,201	31,796
Notes and accounts receivable – trade	18,392	18,962
Merchandise and finished goods	10,356	11,172
Work in process	616	589
Raw materials and supplies	3,038	3,289
Other current assets	1,914	2,394
Allowance for doubtful accounts	(57)	(66)
Total Current Assets	73,462	68,138
II. Fixed Assets:		
1. Tangible Fixed Assets:		
Buildings and structures, net	13,418	12,716
Land	7,354	7,267
Other tangible fixed assets, net	10,069	9,646
Total Tangible Fixed Assets	30,841	29,631
2. Intangible Fixed Assets:		
Goodwill	20	1
Other intangible fixed assets	1,275	1,171
Total Intangible Fixed Assets	1,295	1,173
3. Investments and Other Assets:		
Other	2,714	2,719
Allowance for doubtful accounts	(4)	(4)
Total Investments and Other Assets	2,709	2,715
Total Fixed Assets	34,846	33,519
Total Assets	108,308	101,658
LIABILITIES		
I. Current Liabilities:		
Notes and accounts payable – trade	5,195	5,919
Electronically recorded obligations - operating	369	420
Income taxes payable	996	952
Accrued bonuses to employees	1,067	1,044
Provision for expenses related to voluntary product recall	20	17
Provision for loss on litigation	6	6
Other current liabilities	9,726	8,476
Total Current Liabilities	17,383	16,836
II. Fixed Liabilities:		
Net defined benefit liability	659	659
Provision for share-based remuneration	248	262
Other fixed liabilities	5,409	4,936
Total Fixed Liabilities	6,318	5,858
Total Liabilities	23,701	22,695

(Millions of yen)

	At December 31, 2024	At March 31, 2025
NET ASSETS		
I. Shareholders' Equity:		
Capital stock	5,199	5,199
Capital surplus	5,132	5,132
Retained earnings	58,303	56,056
Treasury stock	(1,489)	(1,425)
Total Shareholders' Equity	67,145	64,962
II. Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	28	20
Foreign currency translation adjustment	13,969	11,484
Total Accumulated Other Comprehensive Income	13,998	11,505
III. Non-controlling Interests	3,463	2,494
Total Net Assets	84,607	78,962
Total Liabilities and Net Assets	108,308	101,658

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income
(For the Three-Month Period)

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
I. Net Sales	23,749	25,227
II. Cost of Sales	12,110	12,331
Gross profit	11,639	12,896
III. Selling, General and Administrative Expenses	8,941	9,702
Operating Income	2,697	3,193
IV. Non-operating Income:		
Interest income	88	84
Dividend income	12	11
Subsidy income	25	15
Foreign exchange gains	142	–
Other non-operating income	36	39
Total Non-operating Income	306	150
V. Non-operating Expenses:		
Interest expenses	19	28
Foreign exchange losses	–	90
Other non-operating expenses	20	10
Total Non-operating Expenses	40	129
Ordinary Income	2,963	3,214
VI. Extraordinary Income:		
Gain on sales of fixed assets	32	0
Subsidy income	648	–
Compensation for damage	–	331
Total Extraordinary Income	680	331
VII. Extraordinary Loss:		
Loss on sales of fixed assets	4	0
Loss on disposal of fixed assets	23	5
Loss on tax purpose reduction entry of fixed assets	648	–
Total Extraordinary Loss	676	5
Income before Income Taxes	2,967	3,540
Income taxes – current	1,154	1,444
Income taxes – deferred	(130)	(284)
Total Corporate Income Tax	1,024	1,159
Net Income	1,943	2,380
Net Income Attributable to Non-controlling Interests	37	49
Net Income Attributable to Owners of Parent	1,906	2,331

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-Month Period)

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net Income	1,943	2,380
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(2)	(7)
Foreign currency translation adjustment	2,397	(2,649)
Total Other Comprehensive Income	2,394	(2,656)
Quarterly Comprehensive Income	4,337	(276)
(Breakdown)		
Quarterly comprehensive income on parent company	4,222	(161)
Quarterly comprehensive income on non-controlling interests	114	(114)

(3) Notes on Consolidated Financial Statements

(Notes Regarding Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes)

The Company has applied the *Accounting Standard for Current Income Taxes* (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard 2022") etc. from the beginning of the period under review.

With respect to the revised classification of income taxes (taxation on other comprehensive income), the Company has applied the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the *Implementation Guidance on Accounting Standard for Tax Effect Accounting* (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "Revised Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, with respect to the revision related to changes in the accounting treatment of deferred tax effects in the consolidated financial statements on gains or losses arising from intragroup sale of shares of subsidiaries, the Company has applied the Revised Guidance 2022 from the beginning of the period under review. This change in accounting policies has been applied retrospectively and the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been restated accordingly. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements of the previous fiscal year.

(Notes on Segment Information etc.)
Segment Information
I. Three months ended March 31, 2025
Information Regarding Net Sales and Profit (Loss) in Each Reportable Segment

(Millions of yen)

	Reportable Segment				Total	Adjustments (Note 1)	Amount Accounted on Quarterly Consolidated Statement of Income (Note 2)
	Japan Business	China Business	Singapore Business	Lansinoh Business			
Net sales							
Net sales to external customers	8,392	8,240	2,050	5,066	23,749	–	23,749
Internal sales or exchange between segments	342	116	1,065	1	1,525	(1,525)	–
Total	8,734	8,356	3,115	5,068	25,275	(1,525)	23,749
Segment profit	523	2,324	353	432	3,634	(937)	2,697

(Notes)
1. The negative amount of ¥937 million from adjustments in segment profit includes ¥67 million in elimination of intersegment transactions and negative ¥869 million in non-allocable operating expenses. Non-allocable operating expenses are administrative costs of the Group.
2. Segment profit is adjusted to operating income in the quarterly consolidated statement of income.

II. Three months ended March 31, 2025
Information Regarding Net Sales and Profit (Loss) in Each Reportable Segment

(Millions of yen)

	Reportable Segment				Total	Adjustments (Note 1)	Amount Accounted on Quarterly Consolidated Statement of Income (Note 2)
	Japan Business	China Business	Singapore Business	Lansinoh Business			
Net sales							
Net sales to external customers	8,341	9,028	2,216	5,640	25,227	—	25,227
Internal sales or exchange between segments	293	343	1,237	3	1,877	(1,877)	—
Total	8,635	9,372	3,454	5,643	27,105	(1,877)	25,227
Segment profit	441	2,719	504	465	4,130	(936)	3,193

(Notes)
1. The negative amount of ¥936 million from adjustments in segment profit includes negative ¥25 million in elimination of intersegment transactions and negative ¥910 million in non-allocable operating expenses. Non-allocable operating expenses are administrative costs of our Group.
2. Segment profit is adjusted to operating income in the quarterly consolidated statement of income.

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable.

(Notes Regarding Going Concern Assumptions)

Not applicable.

(Notes Regarding Quarterly Consolidated Statements of Cash Flows)

We have not prepared a quarterly consolidated statement of cash flows for the first-three-month period under review. Depreciation and amortization (including amortization of intangible fixed assets other than goodwill) and amortization of goodwill in the first-three-month period are as follows.

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Depreciation and amortization	1,178	1,163
Amortization of goodwill	50	18