

Pigeon Corporation (TSE: 7956)

Price (as of December 31, 2020): **¥4,255** (retroactively adjusted) P/E (forward): **45.9** EPS (CE): **¥92.75**

Sector: **Manufacturing of baby and mother care products**

The accounting period has been changed, beginning in the fiscal year ended December 31, 2019.

Fundamentals	Dec. 2020
Market Cap (¥M)	517,636
PE Forward (times)	45.9
Dividend Yield (%)	1.69

	Dec. 2020
Net Sales (¥M)	99,380
Operating Income (¥M)	15,316
Net Income (¥M)	10,643

	Dec. 2020
Total Assets (¥M)	93,472
Total Shareholders' Equity (¥M)	69,903
Interest-Bearing Debt (¥M)	-
Retained Earnings (¥M)	61,120

Key Financial Indicators	Dec. 2020
Gross Profit/Net Sales (%)	50.2
Operating Income/Net Sales (%)	15.4
Net Income/Net Sales (%)	10.7
SG&A/Net Sales (%)	34.8
Equity Ratio (%)	74.8

Segment Information	Dec. 2020
Japan Business (¥M)	44,977
China Business (¥M)	37,732
Singapore Business (¥M)	12,184
Lansinoh Business (¥M)	12,473

Shareholder Profile	Dec. 2020
Financial Institutions (%)	33.1
Individuals and Others (%)	9.0
Non-Japanese Corporations (%)	51.6
Japanese Corporations (%)	4.7
Treasury Stock (%)	1.6

Stock Data	Dec. 2020
Number of Shares Outstanding	121,653,486
Number of Shareholders	11,576

Currency exchange rate (as of December 31, 2020): \$1 = ¥106.77

Business Profile

Pigeon has the top share in baby and child care products in Japan. Previously, this report consisted of information from six Group reporting segments: the Domestic Baby & Mother Care Business, Child Care Service Business, Health & Elder Care Business, China Business, Singapore Business, and Lansinoh Business. However, from the consolidated first quarter under review, the Japan Business segment now aggregates the manufacturing and sales business conducted outside the Group by domestic subsidiaries included in the segments of Domestic Baby & Mother Care Business, Child Care Service Business, Health & Elder Care Business, and Other. As a result, this report now consists of four segments.

Performance Overview (full-year)

During the consolidated period under review, we implemented a range of strategies for each of our businesses and functions on the basis of the above business policies. As the result, net sales amounted to ¥99,380 million. Regarding earnings, operating income was ¥15,316 million, ordinary income was at ¥16,113 million, and net income attributable to owners of parent was ¥10,643 million.

Forecast

A: Actual; CE: Company Estimate Currency exchange rate for 2021(CE): \$1 = ¥106.77

	¥ Million		\$ Thousand	YOY Change (%)
	2020(A) Dec.	2021(CE) Dec.*	2021(CE) Dec.	
Net Sales	99,380	100,800	944,085	1.4
Operating Income	15,316	16,500	154,538	7.7
Net Income	10,643	11,100	103,962	4.3

	¥		\$	YOY Change (%)
	2020(A) Dec.	2021(CE) Dec.	2021(CE) Dec.	
EPS	88.93	92.75	0.9	4.3
Cash Dividend per Share	72.00	74.00	0.7	2.8

*Net sales and operating income of the company estimate of 2021 Dec. is under the new revenue recognition standard.

Strengths

- Japanese baby and mother care products brand well known in the world.
- Number one baby products brand in Japan, China and growing in emerging markets.
- Number one breastfeeding products brand in US and Europe (Lansinoh brand)

Disclaimers:

This report may contain information pertaining to forward-looking statements, such as projected results. Consequently, it is possible that the actual results may vary significantly from such projections due to a wide range of factors such as social, economic and industry conditions. Readers of this report are requested to make decisions on investment after referring to financial materials submitted by issuing companies, such as reports on securities, and based on his/her individual judgment. Pigeon Corporation bears no liability whatsoever should any damage or injury be caused by any errors contained in information or content contained in this report.



Summary Financial Data

(*1 Years ended Jan.31, *2 Years ended Dec.31)

(*3 Nine months ended Oct. 31, *4 Nine months ended Sept. 30)

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			
	2019(*1)	2019(*2)	2020(*2)	2020(*2)		2019(*3)	2020(*4)	2020(*4)	YOY Change (%)
Net Sales	104,747	100,017	99,380	930,786	(0.6)	77,528	73,838	691,561	(4.8)
Cost of Sales	50,889	49,216	49,459	463,229	0.5	37,880	36,580	342,606	(3.4)
Gross Profit	53,858	50,800	49,929	467,631	(1.7)	39,647	37,258	348,956	(6.0)
SG&A Expenses	34,246	33,727	34,605	324,108	2.6	25,761	24,596	230,364	(4.5)
Operating Income	19,612	17,072	15,316	143,449	(10.3)	13,886	12,661	118,582	(8.8)
Other Income (Loss)	786	212	798	7,474	276.4	139	909	8,514	554.0
Ordinary Income	20,398	17,284	16,113	150,913	(6.8)	14,025	13,569	127,086	(3.3)
Extraordinary Income (Loss)	(136)	(179)	(277)	(2,594)	54.7	18	(221)	(2,070)	(1,327.8)
Net Income Attributable to Non-controlling Interests	356	230	216	2,023	(6.1)	191	186	1,742	(2.6)
Net Income Attributable to Owners of Parent	14,238	11,538	10,643	99,682	(7.8)	9,568	9,365	87,712	(2.1)

Profit and Loss	¥				YOY Change (%)	¥			
	2019(*1)	2019(*2)	2020(*2)	2020(*2)		2019(*3)	2020(*4)	2020(*4)	YOY Change (%)
EPS	118.89	96.37	88.93	0.8	(7.7)	79.91	78.25	0.7	(2.1)
Cash Dividend per Share	68.00	70.00	72.00	0.7	2.9	35.00	36.00	0.3	2.9

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			
	2019(*1)	2019(*2)	2020(*2)	2020(*2)		2019(*3)	2020(*4)	2020(*4)	YOY Change (%)
Cash and Time Deposits	30,949	32,416	37,163	348,066	14.6	28,228	32,727	306,519	15.9
Notes and Accounts Receivable	15,004	16,588	15,085	141,285	(9.1)	16,243	14,873	139,299	(8.4)
Inventories	10,605	11,210	11,374	106,528	1.5	11,672	12,227	114,517	4.8
Tangible Fixed Assets	21,127	22,494	23,262	217,870	3.4	22,231	22,326	209,104	0.4
Intangible Fixed Assets	4,223	3,863	2,957	27,695	(23.5)	3,906	3,004	28,135	(23.1)
Total Assets	85,618	90,491	93,472	875,452	3.3	85,990	88,811	831,797	3.3
Notes and Accounts Payable	4,567	4,900	4,757	44,554	(2.9)	5,194	4,814	45,088	(7.3)
Interest-Bearing Debt	0	0	0	-	-	-	-	-	-
Total Net Assets	66,582	70,463	72,625	680,200	3.1	66,421	70,080	656,364	5.5
Total Shareholders' Equity	64,243	67,722	69,903	654,706	3.2	63,794	67,476	631,975	5.8
Equity Ratio (%)	75.0	74.8	74.8	-	0.0	74.2	76.0	-	2.4

Currency exchange rate (as of December 31, 2020) : \$1 = ¥106.77

Corporate Data (As of December 31, 2020)

Head Office

4-4, Nihonbashi-Hisamatsucho, Chuo-ku,
Tokyo 103-8480
TEL: +81-3-3661-4204 FAX: +81-3-3661-4320
<https://www.pigeon.com/>

Established

August 15, 1957

Paid-in Capital

¥5,199,597 thousand

Number of Employees

3,886 (Worldwide, Includes Part-time employees)
373 (Japan, Full-time employees)

Fiscal Year-End

December 31

Annual Shareholders' Meeting

End of March

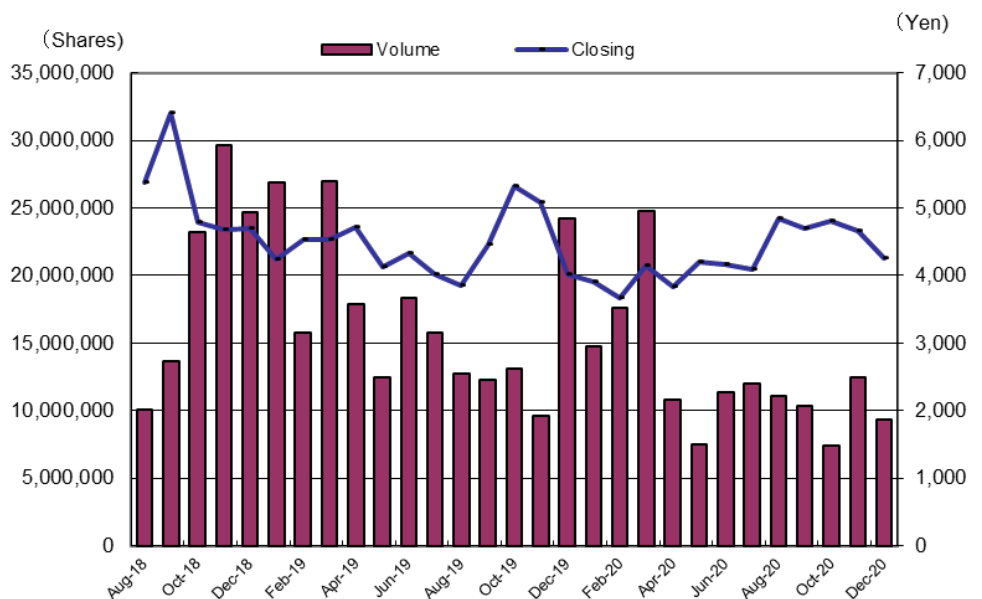
Stock Trading Unit

100 shares

Inquiries

Business Strategy Division
Business Strategy Department
Business Strategy Section

<https://ssl.pigeon.co.jp/investor/en/index.html>



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