

Pigeon Corporation (TSE: 7956)

Price (as of March 31, 2021): **¥4,200** (retroactively adjusted) **P/E (forward): 45.3** **EPS (CE): ¥92.75**

Sector: Manufacturing of baby and mother care products

The accounting standard for revenue recognition has been changed from FY 2021/12. See the notes for details.

Fundamentals		March 2021
Market Cap (¥M)		510,945
PE Forward (times)		45.3
Dividend Yield (%)		1.71
		March 2021
Net Sales (¥M)		21,359
Operating Income (¥M)		2,861
Net Income (¥M)		2,008
		March 2021
Total Assets (¥M)		92,823
Total Shareholders' Equity (¥M)		67,717
Interest-Bearing Debt (¥M)		-
Retained Earnings (¥M)		58,817
Key Financial Indicators		March 2021
Gross Profit/Net Sales (%)		47.6
Operating Income/Net Sales (%)		13.4
Net Income/Net Sales (%)		9.4
SG&A/Net Sales (%)		34.2
Equity Ratio (%)		75.0
Segment Information		March 2021
Japan Business (¥M)		9,717
China Business (¥M)		7,685
Singapore Business (¥M)		2,869
Lansinoh Business (¥M)		3,117
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

Business Profile

Pigeon has the top share in baby and mother 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 of previous fiscal year, the Japan Business segment 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 (1st Quarter)

During the consolidated first quarter under review, due to the impact of the spread of COVID-19 and to the application of new revenue recognition standard, net sales amounted to ¥21,359 million (down 6.5% YOY). Regarding earnings, although sales decreased, the Group actively used sales promotion expenses and advertising expenses, resulting in operating income of ¥2,861 million (down 15.9% YOY), ordinary income of ¥3,454 million (down 10.6% YOY), and quarterly net income attributable to owners of parent of ¥2,008 million (down 30.0% YOY).

Forecast

A: Actual; CE: Company Estimate **Currency exchange rate for 2021(CE): \$1 = ¥ 104.00**

	¥ Million			\$ Thousand
	2021/12(A) Q1	2020/12(A) Full-year	2021/12 (CE) Full-year *	2021/12 (CE) Full-year *
Net Sales	21,359	99,380	100,800	969,231
Operating Income	2,861	15,316	16,500	158,654
Net Income	2,008	10,643	11,100	106,731

	¥			\$
	2021/12(A) Q1	2020/12(A) Full-year	2021/12 (CE) Full-year	2021/12 (CE) Full-year
EPS	16.79	88.93	92.75	0.89
Cash Dividend per Share	-	72.00	74.00	0.71

*Net sales and operating income of the company estimate of 2021/12 Full-year is under the new revenue recognition standard.

Note:

The Group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition") from the beginning of the consolidated first quarter under review (three months ended March 31, 2021). In accordance with the Accounting Standard for Revenue Recognition, when control of a promised good or service is transferred to the customer, revenue will be recognized at the amount expected to be received in exchange for the good or service.

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 Three months ended March 31)

Profit and Loss	¥ Million				\$ Thousand		YOY Change (%)	¥ Million			YOY Change (%)
	2019(*1)	2019(*2)	2020(*2)	2020(*2)				2020(*3)	2021(*3)	2021(*3)	
Net Sales	104,747	100,017	99,380	937,194	(0.6)		22,836	21,359	201,424	(6.5)	
Cost of Sales	50,889	49,216	49,459	466,418	0.5		11,497	11,190	105,526	(2.7)	
Gross Profit	53,858	50,800	49,929	470,851	(1.7)		11,337	10,168	95,888	(10.3)	
SG&A Expenses	34,246	33,727	34,605	326,339	2.6		7,933	7,307	68,908	(7.9)	
Operating Income	19,612	17,072	15,316	144,436	(10.3)		3,403	2,861	26,980	(15.9)	
Other Income (Loss)	786	212	798	7,525	276.4		461	593	5,592	28.6	
Ordinary Income	20,398	17,284	16,113	151,952	(6.8)		3,864	3,454	32,573	(10.6)	
Extraordinary Income (Loss)	(136)	(179)	(277)	(2,612)	54.7		(23)	(476)	(4,489)	1,969.6	
Net Income Attributable to Non-controlling Interests	356	230	216	2,037	(6.1)		63	18	170	(71.4)	
Net Income Attributable to Owners of Parent	14,238	11,538	10,643	100,368	(7.8)		2,869	2,008	18,936	(30.0)	

Profit and Loss	¥				\$		YOY Change (%)	¥			YOY Change (%)
	2019(*1)	2019(*2)	2020(*2)	2020(*2)				2020(*3)	2021(*3)	2021(*3)	
EPS	118.89	96.37	88.93	0.8	(7.7)		23.97	16.79	0.2	(30.0)	
Cash Dividend per Share	68.00	70.00	72.00	0.7	2.9		-	-	-	-	

Balance Sheet	¥ Million				\$ Thousand		YOY Change (%)	¥ Million			YOY Change (%)
	2019(*1)	2019(*2)	2020(*2)	2020(*2)				2020(*3)	2021(*3)	2021(*3)	
Cash and Time Deposits	30,949	32,416	37,163	350,462	14.6		28,644	33,726	318,050	17.7	
Notes and Accounts Receivable	15,004	16,588	15,085	142,258	(9.1)		16,313	14,475	136,505	(11.3)	
Inventories	10,605	11,210	11,374	107,261	1.5		11,868	13,778	129,932	16.1	
Tangible Fixed Assets	21,127	22,494	23,262	219,370	3.4		21,751	23,864	225,047	9.7	
Intangible Fixed Assets	4,223	3,863	2,957	27,886	(23.5)		3,305	2,833	26,716	(14.3)	
Total Assets	85,618	90,491	93,472	881,479	3.3		86,016	92,823	875,358	7.9	
Notes and Accounts Payable	4,567	4,900	4,757	44,860	(2.9)		4,779	5,876	55,413	23.0	
Interest-Bearing Debt	0	0	0	-	-		-	-	-	-	
Total Net Assets	66,582	70,463	72,625	684,883	3.1		67,410	72,417	682,922	7.4	
Total Shareholders' Equity	65,131	68,269	70,020	660,317	2.6		66,947	67,717	638,599	1.2	
Equity Ratio (%)	75.0	74.8	74.8	-	0.0		75.6	75.0	-	(0.8)	

Currency exchange rate (as of March 31, 2021) : \$1 = ¥106.04

Corporate Data (As of December 31, 2020)

Head Office

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Tokyo 103-8480
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<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

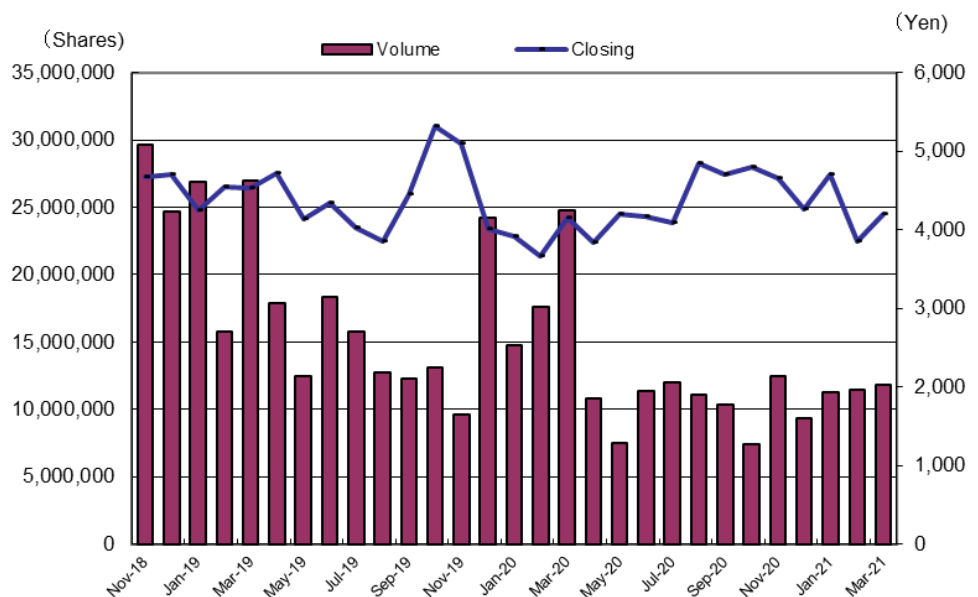
Stock Trading Unit

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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