

# Pigeon Corporation (TSE: 7956)

**Price** (as of March 31, 2022): **¥2,153** (retroactively adjusted) **P/E (forward): 27.1** **EPS (CE): ¥21.88**

**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.**

<b>Fundamentals</b>	<b>March 2022</b>
Market Cap (¥M)	261,920
PE Forward (times)	27.1
Dividend Yield (%)	—
	<b>March 2022</b>
Net Sales (¥M)	21,714
Operating Income (¥M)	2,994
Net Income (¥M)	2,617
	<b>March 2022</b>
Total Assets (¥M)	98,969
Total Shareholders' Equity (¥M)	68,270
Interest-Bearing Debt (¥M)	0
Retained Earnings (¥M)	59,350
	<b>March 2022</b>
<b>Key Financial Indicators</b>	
Gross Profit/Net Sales (%)	48.2
Operating Income/Net Sales (%)	13.8
Net Income/Net Sales (%)	12.1
SG&A/Net Sales (%)	34.4
Equity Ratio (%)	75.0
	<b>March 2022</b>
<b>Segment Information</b>	
Japan Business (¥M)	8,846
China Business (¥M)	7,892
Singapore Business (¥M)	3,069
Lansinoh Business (¥M)	3,551
	<b>Dec. 2021</b>
<b>Shareholder Profile</b>	
Financial Institutions (%)	38.4
Individuals and Others (%)	13.0
Non-Japanese Corporations (%)	42.0
Japanese Corporations (%)	5.0
Treasury Stock (%)	1.6
	<b>Dec. 2021</b>
<b>Stock Data</b>	
Number of Shares Outstanding	121,653,486
Number of Shareholders	22,486

## 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, the impact on business results of the COVID-19 pandemic was tempered by weakening yen exchange rates. Net sales amounted to ¥21,714 million (up 1.7% YOY). In earnings, gross profit margin improved 0.6 points from the previous fiscal year, more than offsetting an increase in selling, general and administrative expenses. Operating income reached ¥2,994 million (up 4.7% YOY), while ordinary income rose to ¥3,971 million (up 15.0% YOY) and net income attributable to owners of parent climbed to ¥2,617 million (up 30.3% YOY).

## Forecast

A: Actual; CE: Company Estimate **Currency exchange rate for 2022(CE): \$1 = ¥112.00**

	¥ Million			\$ Thousand	
	2022/12(A) Q1	2021/12(A) Full-year	2022/12 (CE) Full-year *	2022/12 (CE) Full-year *	
Net Sales	21,714	93,080	98,700	881,250	
Operating Income	2,994	13,336	14,200	126,786	
Net Income	2,617	14,648	14,300	127,679	

	¥			\$	
	2022/12(A) Q1	2021/12(A) Full-year	2022/12 (CE) Full-year	2022/12 (CE) Full-year	
EPS	21.88	73.44	79.41	0.71	
Cash Dividend per Share		74.00	76.00	0.68	

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 previous consolidated fiscal year. 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 Dec.31 \*2 Three months ended March 31

\*3 The previous revenue recognition standard \*4 The new revenue recognition standard

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2019 <sup>*1,*3</sup>	2020 <sup>*1,*3</sup>	2021 <sup>*1,*4</sup>	2021 <sup>*1,*4</sup>		2021 <sup>*2,*4</sup>	2022 <sup>*2,*4</sup>	2022 <sup>*2,*4</sup>	
Net Sales	100,017	99,380	93,080	800,000	(6.3)	21,359	21,714	186,627	1.7
Cost of Sales	49,216	49,459	49,008	421,212	(0.9)	11,190	11,243	96,631	0.5
Gross Profit	50,800	49,929	44,072	378,788	(11.7)	10,168	10,470	89,987	3.0
SG&A Expenses	33,727	34,605	30,735	264,160	(11.2)	7,307	7,475	64,246	2.3
Operating Income	17,072	15,316	13,336	114,620	(12.9)	2,861	2,994	25,733	4.6
Other Income (Loss)	212	798	1,312	11,276	64.4	593	976	8,388	64.6
Ordinary Income	17,284	16,113	14,648	125,896	(9.1)	3,454	3,971	34,130	15.0
Extraordinary Income (Loss)	(179)	(277)	(1,117)	(9,600)	303.2	(476)	(16)	(138)	(96.6)
Net Income Attributable to Non-controlling Interests	230	216	193	1,659	(10.6)	18	63	541	250.0
Net Income Attributable to Owners of Parent	11,538	10,643	8,785	75,505	(17.5)	2,008	2,617	22,492	30.3

Profit and Loss	¥				YOY Change (%)	¥			YOY Change (%)
	2019 <sup>*1,*3</sup>	2020 <sup>*1,*3</sup>	2021 <sup>*1,*4</sup>	2021 <sup>*1,*4</sup>		2021 <sup>*2,*3</sup>	2022 <sup>*2,*4</sup>	2022 <sup>*2,*4</sup>	
EPS	96.37	88.93	73.44	0.6	(17.4)	16.79	21.88	0.2	30.3
Cash Dividend per Share	70.00	72.00	74.00	0.6	2.8			-	-

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2019 <sup>*1,*3</sup>	2020 <sup>*1,*3</sup>	2021 <sup>*1,*4</sup>	2021 <sup>*1,*4</sup>		2021 <sup>*2,*3</sup>	2022 <sup>*2,*4</sup>	2022 <sup>*2,*4</sup>	
Cash and Time Deposits	32,416	37,163	35,218	302,690	(5.2)	35,218	31,184	268,019	(11.5)
Notes and Accounts Receivable	16,588	15,085	16,253	139,691	7.7	16,253	16,650	143,103	2.4
Inventories	11,211	11,376	12,706	109,205	11.7	12,706	14,838	127,529	16.8
Tangible Fixed Assets	22,494	23,262	27,093	232,858	16.5	27,093	28,733	246,953	6.1
Intangible Fixed Assets	3,863	2,957	2,572	22,106	(13.0)	2,572	2,844	24,443	10.6
Total Assets	90,491	93,472	98,042	842,647	4.9	98,042	98,969	850,615	0.9
Notes and Accounts Payable	4,900	4,757	4,087	35,127	(14.1)	4,087	5,271	45,303	29.0
Interest-Bearing Debt	0	0	0	-	-	0	0	-	-
Total Net Assets	70,463	72,625	76,810	660,163	5.8	76,810	77,320	664,547	0.7
Total Shareholders' Equity	68,269	70,020	70,062	602,166	0.1	73,885	68,270	586,764	(7.6)
Equity Ratio (%)	74.8	74.8	75.4		0.8	75.4	75.0		(0.5)

Currency exchange rate (as of March 31, 2022) : \$1 = ¥116.35

## Corporate Data (As of December 31, 2021)

### 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

3,935 (Worldwide, Includes Part-time employees)  
368 (Japan, Full-time employees)

### Fiscal Year-End

December 31

### Annual Shareholders' Meeting

End of March

### Stock Trading Unit

100 shares

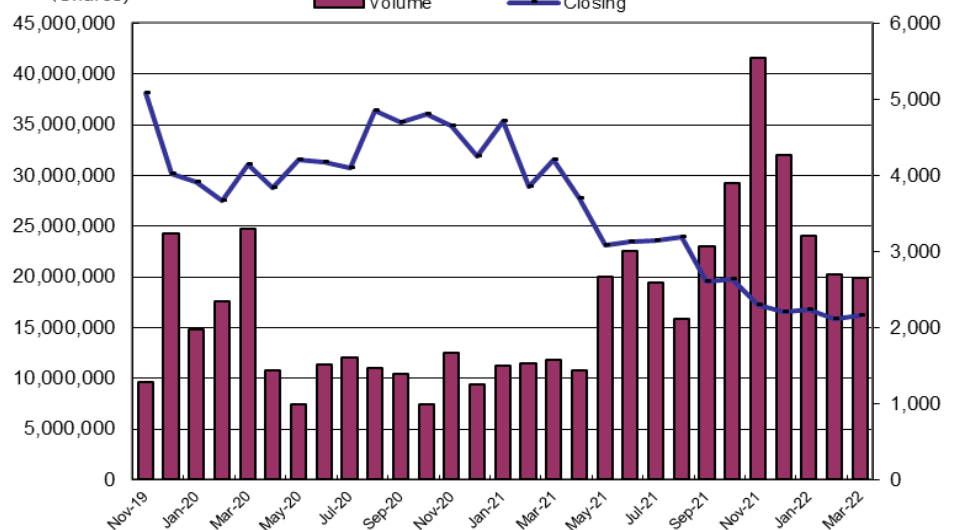
### Inquiries

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

(Shares)

(Yen)



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