

Pigeon Corporation (TSE: 7956)

Price (as of Dec. 31, 2023): **¥1,624** (retroactively adjusted) **P/E (forward): 25.6** **EPS (CE): ¥63.54**

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	Dec. 2023
Market Cap (¥M)	197,565
PE Forward (times)	25.6
Dividend Yield (%)	4.68

	Dec. 2023
Net Sales (¥M)	94,461
Operating Income (¥M)	10,726
Net Income (¥M)	7,423

	Dec. 2023
Total Assets (¥M)	100,440
Total Shareholders' Equity (¥M)	67,876
Interest-Bearing Debt (¥M)	76
Retained Earnings (¥M)	58,890

Key Financial Indicators	Dec. 2023
Gross Profit/Net Sales (%)	48.1
Operating Income/Net Sales (%)	11.4
Net Income/Net Sales (%)	7.9
SG&A/Net Sales (%)	36.8
Equity Ratio (%)	77.2

Segment Information	Dec. 2023
Japan Business (¥M)	36,865
China Business (¥M)	33,045
Singapore Business (¥M)	13,085
Lansinoh Business (¥M)	18,480

Shareholder Profile	Dec. 2023
Financial Institutions (%)	39.2
Individuals and Others (%)	24.0
Non-Japanese Corporations (%)	29.9
Japanese Corporations (%)	5.4
Treasury Stock (%)	1.6

Note : "Shareholder Profile" is rounded to the first decimal place.

Stock Data	Dec. 2023
Number of Shares Outstanding	121,653,486
Number of Shareholders	48,777

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 FY 2020, 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 (4th Quarter)

In the consolidated accounting year under review, despite being led by strong results in the Japan Business and Lansinoh Business, net sales decreased to ¥94,461 million (down 0.5% YOY) due to lower sales in the China Business and Singapore Business compared to the previous fiscal year. In earnings, in addition to falling gross profit due to a decrease in revenue, the active use of sales promotion expenses resulted in operating income decreasing to ¥10,726 million (down 12.1% YOY). Ordinary income decreased to ¥11,522 million (down 14.4% YOY) and net income attributable to owners of parent fell to ¥7,423 million (down 13.5% YOY).

Forecast

A: Actual; CE: Company Estimate **Currency exchange rate for 2023(CE): \$1 = ¥130.00**

	¥ Million		\$ Thousand	YOY Change (%)
	2023(A) Dec.	2024(CE) Dec.	2024(CE) Dec.	
Net Sales	94,461	101,000	776,923	6.9
Operating Income	10,726	11,400	87,692	6.3
Net Income	7,423	7,600	58,462	2.4

	¥		\$	YOY Change (%)
	2023(A) Dec.	2024(CE) Dec.	2024(CE) Dec.	
EPS	62.06	63.54	0.5	2.4
Cash Dividend per Share	76.00	76.00	0.6	0.0

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 under review. 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 Nine months ended Sept. 30 *3 The new revenue recognition standard

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2021 ^{*1,*3}	2022 ^{*1,*3}	2023 ^{*1,*3}	2023 ^{*1,*3}		2022 ^{*2,*3}	2023 ^{*2,*3}	2023 ^{*2,*3}	
Net Sales	93,080	94,921	94,461	671,938	(0.5)	70,707	72,942	518,865	3.2
Cost of Sales	49,008	50,087	49,008	348,613	(2.2)	37,510	37,016	263,309	(1.3)
Gross Profit	44,072	44,834	45,452	323,318	1.4	33,197	35,925	255,548	8.2
SG&A Expenses	30,735	32,638	34,726	247,019	6.4	24,093	25,741	183,106	6.8
Operating Income	13,336	12,195	10,726	76,298	(12.0)	9,103	10,183	72,436	11.9
Other Income (Loss)	1,312	1,269	797	5,669	(37.2)	1,671	966	6,872	(42.2)
Ordinary Income	14,648	13,465	11,522	81,960	(14.4)	10,774	11,149	79,307	3.5
Extraordinary Income (Loss)	(1,117)	(322)	(368)	(2,618)	14.3	(26)	(9)	(64)	(65.4)
Net Income Attributable to Non-controlling Interests	193	179	137	975	(23.5)	162	131	932	(19.1)
Net Income Attributable to Owners of Parent	8,785	8,581	7,423	52,803	(13.5)	6,948	7,281	51,793	4.8

Profit and Loss	¥				YOY Change (%)	¥			YOY Change (%)
	2021 ^{*1,*3}	2022 ^{*1,*3}	2023 ^{*1,*3}	2023 ^{*1,*3}		2022 ^{*2,*3}	2023 ^{*2,*3}	2023 ^{*2,*3}	
EPS	73.44	71.72	62.06	0.4	(13.5)	58.07	60.86	0.4	4.8
Cash Dividend per Share	74.00	76.00	76.00	0.5	0.0	-	-	-	-

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2021 ^{*1,*3}	2022 ^{*1,*3}	2023 ^{*1,*3}	2023 ^{*1,*3}		2022 ^{*2,*3}	2023 ^{*2,*3}	2023 ^{*2,*3}	
Cash and Time Deposits	35,218	34,283	34,357	244,395	0.2	33,018	31,103	221,248	(5.8)
Notes and Accounts Receivable	16,253	15,975	14,412	102,518	(9.8)	17,882	18,799	133,725	5.1
Inventories	12,706	15,318	13,535	96,280	(11.6)	15,758	16,009	113,878	1.6
Tangible Fixed Assets	27,093	30,132	31,952	227,287	6.0	30,239	33,154	235,837	9.6
Intangible Fixed Assets	2,572	2,308	1,483	10,549	(35.7)	2,654	1,801	12,811	(32.1)
Total Assets	98,042	101,733	100,440	714,469	(1.3)	103,917	105,432	749,979	1.5
Notes and Accounts Payable	4,087	5,066	3,643	25,914	(28.1)	5,771	4,290	30,516	(25.7)
Interest-Bearing Debt	-	-	76	541	-	-	72	512	-
Total Net Assets	76,810	79,952	81,087	576,803	1.4	81,031	82,414	586,243	1.7
Total Shareholders' Equity	70,062	69,706	67,876	482,828	(2.6)	68,072	67,733	481,811	(0.5)
Equity Ratio (%)	75.4	75.4	77.2	-	2.4	74.7	74.8	-	0.1

Currency exchange rate (as of Dec. 31, 2023) : \$1 = ¥140.58

Corporate Data

(As of December 31, 2023)

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

3,618 (Worldwide, Includes Part-time employees)
334 (Japan, Full-time employees)

Fiscal Year-End

December 31

Annual Shareholders' Meeting

March 28, 2024

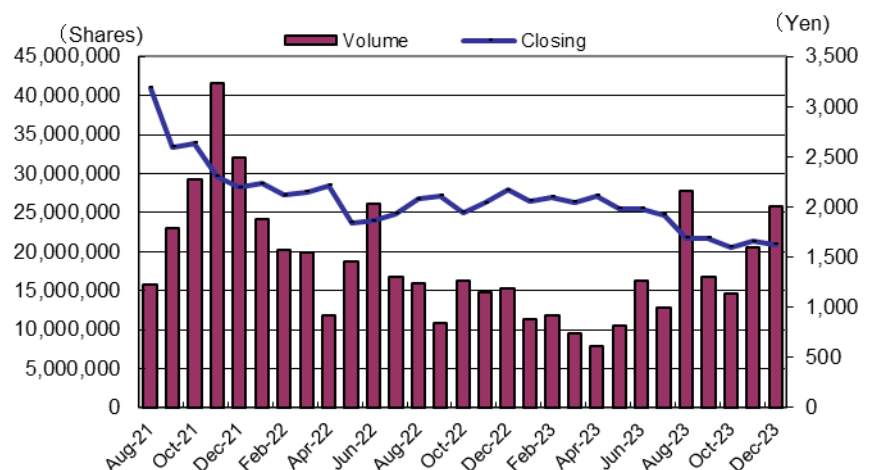
Stock Trading Unit

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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