

Summary of Results Briefing for the Q1 of the Fiscal Year Ending 31 December, 2022

[Points of Attention]

This Summary is a reference for those who would like to review the session or event of the results briefing held by Pigeon Corporation.

Please note this is not the entire text of the conference but a summary based on our judgment. Forward-looking statements in these materials are based on management's assumptions and beliefs in light of the information currently available to it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may affect the Company's performance.

In the event of discrepancy between the English version and the Japanese version of the summaries, the Japanese-language version shall prevail.

Event Summary

Date: Thursday, May 12, 2022 4:00 PM – 5:30 PM (JST)

Number of Speakers: 2

Yasuo Kanatsuka, Manager, Business Strategy Department

Sho Hiratsuka, Associate Manager, Business Strategy Department

Latest Update of Covid-19 in China① Impact on Q1 Results

- Sales were almost in line with our budget until February YTD.
- Due to a local lockdown that began in mid-March, 10-15% of our March sales forecast could not be shipped in Q1. Also, delays and cancellations of shipments from our distributors and retailers (EC and offline) also affected Sell-out.

| Local Lockdown (Mid-March to today) | |
|---|---|
| Lockdown areas | <ul style="list-style-type: none"> • North China area, Northeast area, etc. • Shaanxi, Fujian, Yunnan, Tianjin and other areas experienced 14 - 60 days of local lockdown |
| Impact on logistics, retailers, and consumers | <ul style="list-style-type: none"> • Key warehouses of our distributors were closed for several days, causing intermittent shipping delays. • Many department stores and chain baby stores in the lockdown area temporarily closed. • EC retailers were unable to fill the stocks to local warehouses, causing delivery delays. • Delays in e-commerce deliveries have resulted in an increase in customer returns and order cancellations. |
| Impacts on our group companies in China | |
| Sales Office (Shanghai) | Two important warehouses of our distributors were closed for several days, intermittently halting our shipments. |
| Factory (Shanghai) | <ul style="list-style-type: none"> • Operated normally until End of March. • Build up inventory prepared for Shanghai lockdown |
| Factory (Changzhou, Jiangsu Province) | Six-day outage due to lockdown in Changzhou city |

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

2

PIGEON: First, we would like to inform you about the status of COVID-19 in Mainland China. As you all know, Shanghai is now under the massive lockdown since late March as part of the zero-COVID policy.

On the other hand, for areas outside of Shanghai, localized lockdowns and movement restrictions have been in place since mid-March, and our business activities in Q1 have been affected by these restrictions.

In China, we had been making progress almost in line with internal plans until the end of February, but due to the lockdowns that began in mid-March, 10% to 15% of our March sales forecast could not be shipped.

As for the areas where the lockdowns took place, localized lockdowns of 14 to 60 days were imposed on regions like the North China area, Northeast area, then Shaanxi, Fujian, and Yunnan Provinces, as well as the city of Tianjin.

There was an impact on logistics retailers and then consumers in each region. First of all, there were intermittent shipping delays due to the closure of key warehouses of our distributors for several days.

Many of the department stores and chain baby stores in the lockdown areas were temporarily closed.

Then e-commerce retailers saw an increase in returns of goods and cancellations from customers due to delays in deliveries, as they couldn't replenish goods in regional warehouses.

As for the impact on our China bases, first of all, our distributors were closed for several days, which intermittently halted our shipments.

Regarding the factories, our Changzhou factory was shut down for six days due to the lockdown in the city of Changzhou. In addition, the Shanghai factory was operating normally in March, and we were building up inventories end of March in preparation for the lockdown.

These local lockdowns affected the Q1 results, and local lockdowns are still occurring intermittently.

Latest Update of Covid-19 in China② Shanghai Lockdown

- Since April, the Shanghai lockdown has had a greater impact on both sales office and factories than in Q1.
- Shipments and production have partially resumed since the end of April; **our China group was operating at only about 20-30% of normal levels as the end of April.**
- Shanghai lockdown is still in effect as of May, and the impact on earnings is currently being estimated.

| Shanghai Lockdown (Since end of March) | | | | |
|--|--|----------------|----------------|--|
| Calendar | April 1 to 10 | April 11 to 17 | April 18 to 24 | April 25 to May 1 |
| Local lockdown | Local lockdowns are ongoing | | | |
| Logistics in Shanghai | Distribution from Shanghai to other provinces suspended. Shanghai warehouses of our distributors and EC retailers are closed. Offline stores temporarily closed. | | | |
| Logistics in other areas | Distribution to Shanghai city suspended. Local warehouses of our distributors and EC retailers are experiencing shortages of merchandise. Some offline stores outside of the blocked areas are open. | | | |
| Sales Office (Shanghai) | | | | |
| Shipment | shipping the merchandise almost suspended | | | Resumed shipment of some products to distributors via Changzhou factory etc. |
| Business activities | All employees shifted to remote work. very limited work in R&D and other activities. Some scheduled marketing activities and events were also postponed | | | |
| Factory (Shanghai) | | | | |
| Production | Factory operation suspended | | | Resumed operation (Approx. 20% of operation) |
| Shipment | | | | |
| Factory (Changzhou) | | | | |
| Production | The factory operated normally. Shipments from Changzhou plant available, but very limited due to lockdown of shipping destination. | | | |
| Shipment | | | | |

3

This is about the Shanghai lockdown.

In addition to the local lockdowns I just mentioned, Shanghai has also been locked down since April. This has had a greater impact on our sales and production facilities than in Q1.

First of all, as for the overall logistics situation, distribution from Shanghai to other provinces has been suspended since late March in principle, and our distributors and e-commerce retailers' warehouses in Shanghai have been closed. The offline shops are also temporarily closed. In principle, distribution from outside Shanghai to Shanghai has also been suspended.

In addition, the lack of incoming shipments from Shanghai has resulted in shortages at retailers' regional warehouses.

As for the impact on our company, our sales company in Shanghai suspended almost all product shipments during April. The Shanghai factory was temporarily closed until late April, but has partially resumed operations since late April after obtaining a product manufacturing license.

In terms of shipments, we took some measures, such as obtaining traffic permits and other approvals, and resuming shipments of some products from the Shanghai factory via the Changzhou factory outside of Shanghai.

The Changzhou factory was in normal operation in April but shipments were not being made as scheduled due to the block down at the shipping destinations.

As of the end of April, our China group was operating at approximately 20% to 30% of normal capacity, and this Shanghai lockdown is still in place as of May. Therefore, the impact on business performance is currently being estimated.

As you are all aware of the seriousness of the Shanghai lockdown, our first priority is to ensure the safety of our employees and the stability of their lives in China, and we are taking various measures to resume business activities.

2022 Q1 Results - Consolidated

Sales : Increased. Overseas markets led the growth. Sales increased 101.7% y-o-y due to sales growth of new model of nursing bottles and favorable FX rates

Profit : Increased. Gross margin increased 0.6 pt y-o-y and operating margin increased 0.4 pt due to improved profitability from new products, etc.

Raw material prices : Although the yen weakened more than expected, the impact of raw material price hikes on 1Q results was within expectations.

| (Unit: Million JPY) | 2021 Q1 | | 2022 Q1 | | |
|--|---------|------------|---------|------------|------------|
| | Actual | % of Total | Actual | % of Total | YoY Change |
| Net Sales | 21,359 | 100.0% | 21,714 | 100.0% | 101.7% |
| Cost of Sales | 11,190 | 52.4% | 11,243 | 51.8% | 100.5% |
| Gross Profit | 10,168 | 47.6% | 10,470 | 48.2% | 103.0% |
| SG&A Expenses | 7,307 | 34.2% | 7,475 | 34.4% | 102.3% |
| Operating Income | 2,861 | 13.4% | 2,994 | 13.8% | 104.7% |
| Ordinary Income | 3,454 | 16.2% | 3,971 | 18.3% | 115.0% |
| Net Income Attributable to Owners of Parent | 2,008 | 9.4% | 2,617 | 12.1% | 130.3% |

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

【Currency Rates】

2022 Results : US\$1 = JPY 116.35 / CNY 1 = JPY 18.32
2021 Results : US\$1 = JPY 106.04 / CNY 1 = JPY 16.36

4

Please move onto page four. This shows the consolidated results for Q1.

In Q1, sales were driven by overseas markets, and sales growth was also driven by a new model of nursing bottles. In addition, sales increased partly due to foreign exchange effects and other factors. The sales amount showed a YoY increase of 1.7%, or approximately JPY350 million.

Gross profit increased 3%, or about JPY300 million, YoY, mainly due to improved profitability owing to new products.

Operating income increased 4.7%, or approximately JPY130 million, YoY, as the increase in sales and the rise in gross profit more than offset an increase in SG&A expenses.

Net income attributable to owners of parent increased by 30.3%, or JPY600 million, YoY.

As for the sharp rise in raw material prices, although the depreciation of the yen was greater than initially assumed with respect to the Q1 results, the surge in raw material prices ended up within our expectations.

As for the foreign exchange effects, both the yuan and the US dollar appreciated against the yen, having a positive impact of JPY1.04 billion on net sales, JPY680 million on gross profit, and JPY420 million on ordinary income YoY. Here are the consolidated results.

2022 Q1 Results - By Business Segment

| (Unit: Million JPY) | 2021 Q1 | | | | 2022 Q1 | | | | |
|---|---------------|---------------|--------------|----------------|---------------|---------------|---------------|--------------|----------------|
| | Sales | % of Total | Gross Margin | Segment Profit | Sales | % of Total | YoY Change | Gross Margin | Segment Profit |
| Consolidated Net Sales | 21,359 | 100.0% | 47.6% | 2,861 | 21,714 | 100.0% | 101.7% | 48.2% | 2,994 |
| Japan Business | 9,717 | 45.5% | 35.6% | 603 | 8,846 | 40.7% | 91.0% | 35.8% | 543 |
| China Business | 7,685 | 36.0% | 51.4% | 2,434 | 7,892 | 36.3% | 102.7% | 52.4% | 2,532 |
| Singapore Business | 2,869 | 13.4% | 36.4% | 356 | 3,069 | 14.1% | 106.9% | 41.3% | 514 |
| Lansinoh Business | 3,117 | 14.6% | 56.4% | 318 | 3,551 | 16.4% | 113.9% | 52.1% | 168 |
| Elimination of inter-segment transactions | (2,030) | (9.5%) | — | — | (1,645) | (7.6%) | — | — | — |

Ref. : The breakdown of Japan business segment

| (Unit: Million JPY) | 2021 Q1 | | | | 2022 Q1 | | | | |
|------------------------------|---------|------------|--------------|----------------|---------|------------|------------|--------------|----------------|
| | Sales | % of Total | Gross Margin | Segment Profit | Sales | % of Total | YoY Change | Gross Margin | Segment Profit |
| Baby Care | 6,309 | — | 42.3% | 600 | 6,244 | — | 99.0% | 40.6% | 648 |
| Child Care Services | 948 | — | 18.5% | 75 | 892 | — | 94.1% | 16.0% | 52 |
| Health & Elder Care Business | 1,606 | — | 28.8% | 156 | 1,176 | — | 73.2% | 31.0% | 86 |

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

5

The income statement by business segment.

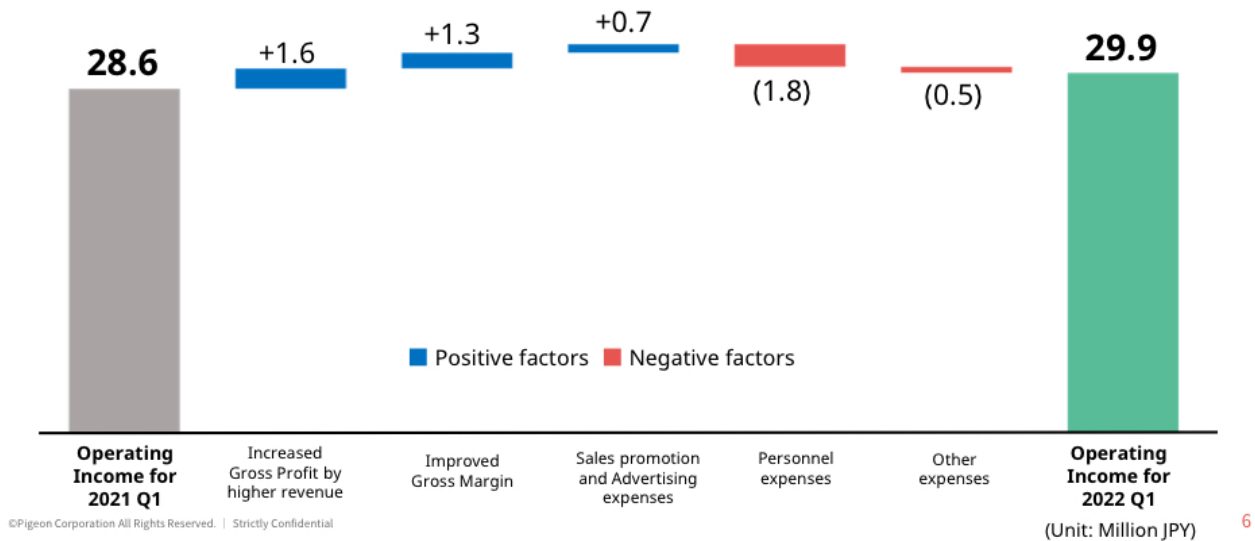
Net sales increased YoY in all business segments except the Japan business. Net sales in the Japan business were down 9% YoY.

As for overseas, the China business showed a 2% YoY rise in sales, the Singapore business was up 6.9%, and the Lansinoh business was up 13.9%. As for the breakdown of the Japan business, shown in the lower part of the slide, the Baby Care business was down 1% YoY, the Child Care Services business was down 5.9%, and the Health & Elder Care business was down 26.8%. Sales in the Baby Care business were almost flat YoY.

I will explain the financial results by business segment in the business summary section on pages seven and eight.

2022 Q1 - Analysis of Change in Operating Income (YoY)

Increased 130 million yen of Operating Income due to higher gross profit from increased sales and contributions from sales of new model of nursing bottles in China and Japan.



This is a factor analysis for the YoY changes in consolidated operating income.

In Q1, in addition to the increase in gross profit due to the higher sales, sales of the new nursing bottle model in China and Japan also contributed to the overall increase of about JPY130 million.

As for the details of SG&A expenses, personnel expenses increased by JPY180 million YoY, while sales promotion and other expenses decreased by about JPY70 million. As a result, operating income for Q1 was JPY2.99 billion, a YoY increase of JPY130 million.

Summary of Results by Segment

*Sales: Sell-in at local currency

Japan Business

Baby care business flat YoY. Nursing bottles grew by new model but consumables struggled

- Sales in major channels such as baby specialty stores and drugstores increased YoY due to the introduction of new products however sales in e-commerce and other channels struggled.
- Sales of Nursing bottles and Breast pumps were strong. Sales of bottles increased 51% YoY due to the switch to new models. In the skincare business, sales of renewed products of the standard series were strong, but sales of the high-margin Momo-no-ha (Peach Leaves) series were weak.
- Sales of consumable products such as Wet tissues and Nursing pads struggled due to growing consumer demand for low-priced products.
- Gross margin for baby care business declined by 1.7pt YoY. This was due to the impact of yen depreciation and the product mix in the skincare category.
- Sales of Health & Elder Care declined by 4 million yen YoY due to the restructuring of product portfolio, but progressed almost as expected. Profit margin improved.

China Business

Zero-Tolerance Covid-19 policy has impacted business activities in various regions since mid-March

- Mainland sales -14% YoY; local lockdowns since mid-March impacted manufacturing, sales, and distribution. (See p.3 - 4 for details)
- Sell-out was +2% YoY. EC was flat but offline was +7% YoY, EC ratio was 61%.
- Sales of Nursing bottles slightly declined YoY due to the impact of the lockdown from March, although the switch to new models was progressing as planned both in EC and offline.
- Gross margin improved by 1.0pt YoY due to contributions from new models of Nursing bottles and skincare products.
- Sales of Pigeon products started on major North American e-commerce sites in March

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

7

Now, for the next page. This is a summary of the business results by segment.

First of all, the Japan business. The Baby Care business finished the quarter on par with the prior-year period. While nursing bottles grew due to the switch to the new model, consumables were struggling.

Baby Care sales were down 1% YoY, almost flat. Sales via major channels, such as specialty baby stores and drugstores, grew YoY partly due to the effect of the new products. On the other hand, e-commerce and others struggled. By product category, nursing bottles and breast pumps performed well.

Sales of nursing bottles were up 51% YoY, due to the contribution from the new model. On the other hand, in the skincare business, sales of the standard series, which was renewed in February, were strong, but sales of the Peach Leaves series, which has a high profit margin, were weak.

In addition, consumable products, such as wet wipes and nursing pads, were struggling due to increasing demand for low-priced products from consumers.

The gross profit margin in the Baby Care business was down 1.7 percentage points YoY. This was due to a combination of factors, including the impact of the yen's depreciation and the product mix in the skincare category.

Finally, in the Health & Elder Care business, sales were almost in line with expectations, down JPY400 million YoY due to a review of the product portfolio. Although sales decreased, the profit margin improved from a year earlier.

Next is the China business. In China, our business activity was affected by COVID-19, whose impact began to appear in mid-March. Sales in Mainland were down 14% YoY.

On the other hand, the sell-out result was up 2% YoY. E-commerce sales were almost flat, but offline sales increased 7% YoY. The e-commerce ratio in Q1 was 61%.

Sales of nursing bottles were progressing as planned, both in e-commerce and offline, with the switch to the new model. However, sales decreased slightly due to the impact of the lockdowns since March.

The gross profit margin improved by 1 point YoY due to contributions from the new nursing bottles and skincare products.

In addition, we have been planning to start selling Pigeon brand products in North America in our China business since this year, and we finally started selling our products through a major North American e-commerce site in March. These were the results in Japan and China.

Summary of Results by Segment

*Sales: Sell-in at local currency

| | |
|---------------------------|--|
| Singapore Business | <p>Strong sales in major countries, good start toward full recovery from Covid-19</p> <ul style="list-style-type: none"> • Sales +48% YoY in India, +22% in Malaysia, +27% in Indonesia. • Strong sales in Australia and the Middle East in export market. • Sales (in Japanese yen) of core products (Nursing bottles, Breast pumps, Skincare, and Oral care) were strong with double-digit growth YoY • Shipment of new skincare series (Natural Botanical) was strong. It is now sold in Singapore, Indonesia, Malaysia, Vietnam, the Middle East and other markets. • Gross profit increased by 21% YoY due to increased sales at sales companies, improved product mix at factories, and foreign exchange effects. Gross margin also improved by 4.9pt. |
|---------------------------|--|

| | |
|--------------------------|---|
| Lansinoh Business | <p>Sales remain strong, but higher-than-expected distribution costs squeeze profits</p> <ul style="list-style-type: none"> • Lansinoh Group sales increased 6% YoY. Sales in North America were +8% and strong both online and offline. • In Europe, Benelux, UK, Turkey, etc. performed well. Sales in Germany ended below YoY due to some shortage of the stock despite increased demand. • Sales of nipple cream and breast pumps, our main products, increased YoY. Birth Prep & Postpartum care products exceeded the plan. • Gross margin declined by more than 4pt from the previous year due to the procurement and logistics costs (cost factor), which have continued to soar since the 2H of the previous year. Operating income was squeezed by higher-than-expected logistics costs at the beginning of the period. |
|--------------------------|---|

©Pigeon Corporation All Rights Reserved. | Strictly Confidential

8

This shows the Singapore business.

Sales of major countries covered by the Singapore business performed well. They got off to a good start toward full recovery from COVID-19. Looking at the major countries, sales in India increased by 48% YoY, in Malaysia by 22%, and in Indonesia by 27%.

Sales of core products, nursing bottles, breast pumps, skincare, and oral care products increased strongly with double-digit YoY growth. Shipments of Natural Botanical, a new skincare series that has been on sale since last summer, were also strong. We have now begun to expand the series in Singapore, Indonesia, Malaysia, Vietnam, the Middle East, and others.

Gross profit in the Singapore business increased 21% YoY due to an increase in sales at the sales company, an improved utilization at the factories, and the impact of foreign exchange rates. The gross profit margin also improved by 4.9 points.

Lansinoh business. Sales in the Lansinoh business continued to be strong. On the other hand, logistics costs were higher than expected, which put pressure on profits.

Lansinoh Group sales in local currency were up 6% YoY. Sales in North America were up 8%, and both online and offline sales were strong.

In Europe, sales were strong in Benelux, the UK, and Turkey. In Germany, demand was increasing, but a shortage of some products resulted in a YoY fall in sales.

In terms of products, mainstay nipple creams and breast pumps showed YoY growth. In addition, pre- and postpartum care products, which have been on sale since H2 of last year, were progressing better than planned.

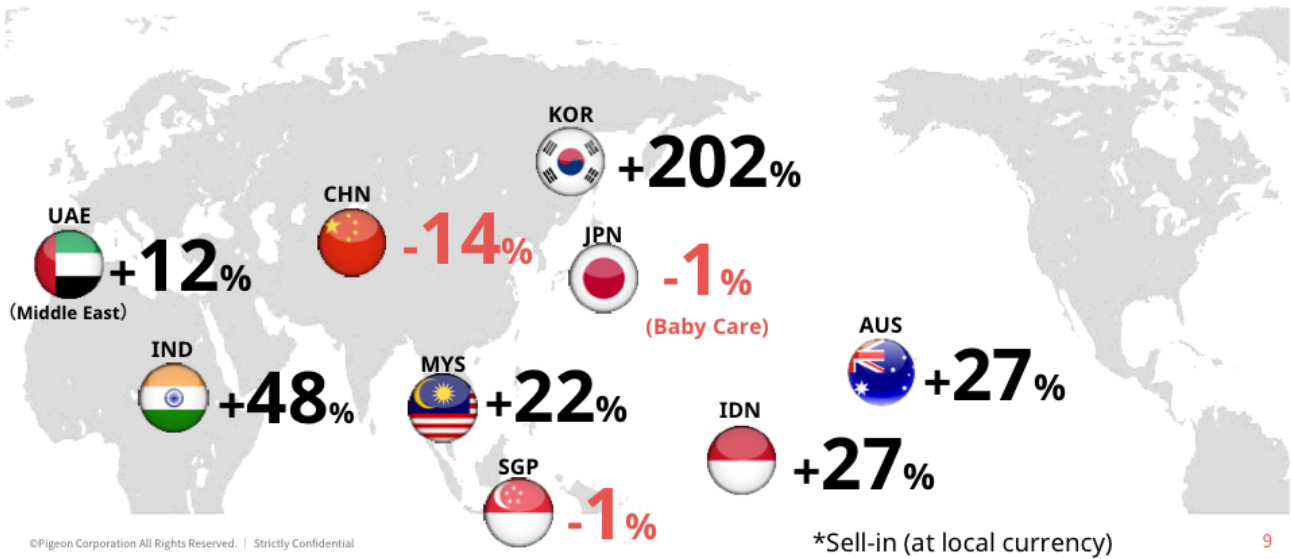
The gross profit margin was pressured by the procurement and logistics costs that have continued to soar since H2 of the previous year. This is a factor in the cost of goods sold, and the soaring costs caused the gross profit margin to deteriorate by more than 4 percentage points YoY.

Also, the logistics costs in SG&A are rising faster than initially expected, and these are putting pressure on operating income.

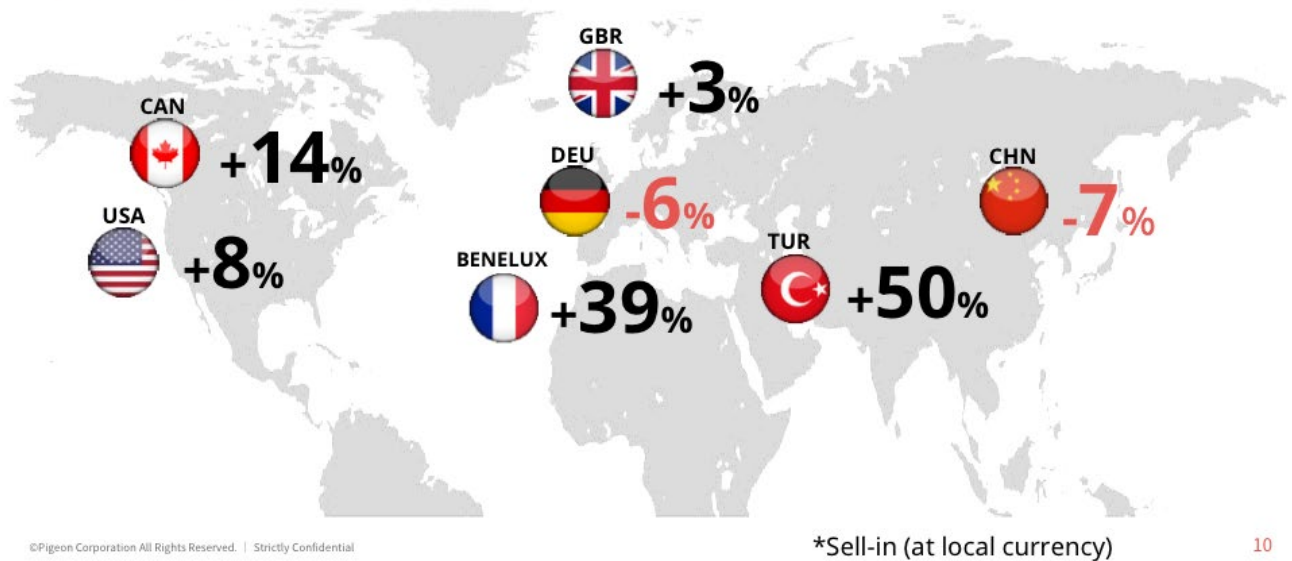
As for the forecasts for Q2 and beyond, in China, our business operations have been affected by the lockdown in Shanghai since April. As the timing of the lifting of this lockdown is still uncertain, there is a great deal of uncertainty at this time.

We are still estimating the amount of impact on our business performance, and will promptly make an announcement when needed. Thank you.

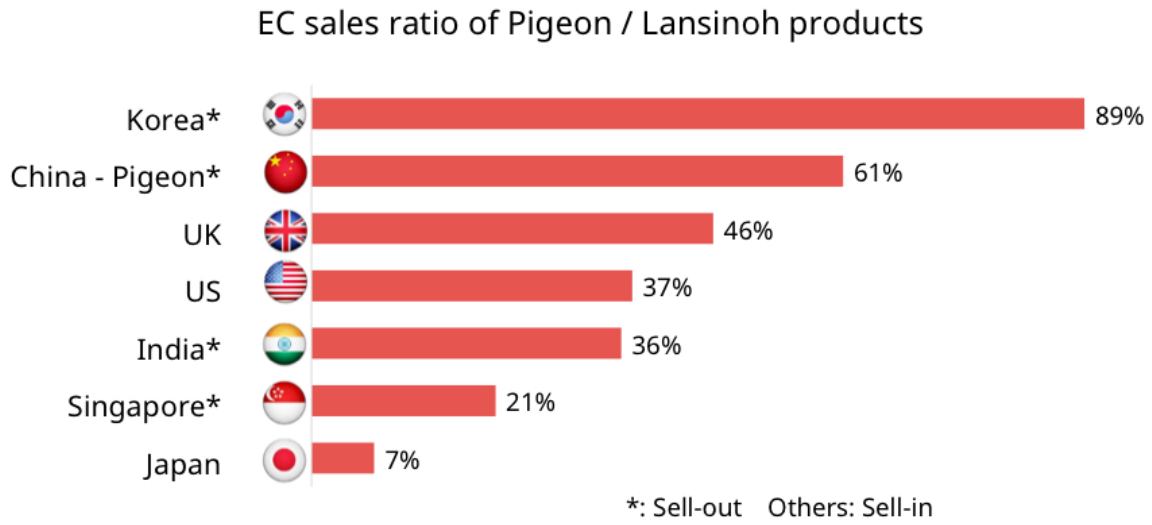
Pigeon Sales by Region* (YoY)



Lansinoh Sales by Region* (YoY)



E-Commerce Ratio in Key Markets



Question & Answer

Q&As are summarized by Business segment.

[Consolidated]

Q. How did Q1 consolidated results compare with the internal plan?

A. Consolidated net sales and gross profit were 1-2% below the internal plan. The results were almost in line with our expectations.

Q. How much was the impact in Chinese yuan out of total FX impact of Q1 consolidated results?

A. The impact of CNY was 700 million yen out of the 1.04 billion yen increase in net sales by FX impact. And 270 million yen out of the 420 million yen increase in ordinary income YoY.

Q. What is the reputation of the new model of the Nursing bottles among consumers?

A. In Japan, we began selling the new "Bonyu-Jikkan" nursing bottles in this February. In line with this renewal, we raised the price of the new model in Japan by more than 10% compared to the old model, but sales in stores have been favorable. The new model has been well received by consumers, with its market share increasing from 85% to 86%. In China, since its launch in September last year, the response from consumers has been positive, and sales in stores have been strong.

Q. Are you considering raising product prices in overseas markets as soaring raw material prices, logistics disruptions, and rapid inflation worldwide?

A. In some overseas markets under China, Singapore and Lansinoh segments, we are considering and implementing price increases for some products starting this fiscal year. Each business is closely monitoring market conditions to determine the products subject to price increases and the range of price increase.

[Japan Business]

Q. In the baby care business, what was the reason for the 1.7 pts decrease in gross profit margin YoY despite strong sales growth of Nursing bottles (+51% YoY)?

A. While the increase in sales of Nursing bottles contributed some for profit improvement, the gross margin of the Baby Care business declined due to several factors that worsened the cost ratio, such as the low capacity utilization rate of Japan factories due to sales decrease of consumables, soaring material prices due to the rapid depreciation of the yen, and advanced a depreciation of the Fuji factory following the relocation of the factory.

Q. What do you expect the growth rate of Nursing bottle sales to be from Q2 onward?

A. In the Q1, sales grew by an extremely large 51% YoY due to the initial shipments of new models. We expect sales growth to even out in the Q2 and beyond.

[China Business]

Q. How did Q1 performance in mainland China compare with your internal forecast?

A. On a local currency basis, Q1 sales in mainland China were below our internal forecast however they were almost in line with it through February. The local lockdown that began in mid-March prevented us from shipping a portion of our March sales forecast, resulting in lower-than-expected results.

Q. Please tell us about the impact of the Shanghai lockdown on business performance.

A. It is very difficult to estimate the amount of impact as the Shanghai lockdown is still in effect, and the timing and method of re-open (whether it will be re-opened all at once or gradually) have yet to be determined. However, there is the 618 shopping event in Q2, and in past years, May is the time when shipments would increase for the 618, but that has not happened this year at this point. Although it is unclear to what extent this year's 618 shopping event will be exciting, we believe that its impact on our business performance will not be small. On the other hand, there may be some rebound demand if EC retailers plan new sales events in the second half of the year or later, which they have not done in previous years, to make up for the sales loss during Covid-19 lockdown.

Q. Is it possible to temporarily import Nursing bottles from Pigeon's Thai factory during the Shanghai lockdown?

A. Physically, yes. However, the lockdown has closed major ports, including the Shanghai, and in principle, logistics to and from Shanghai have also been suspended for overland shipments. At this point, we believe that the priority is to seek procurement and shipments within China while closely monitoring the situation of lockdown in each area.

Q. Would you record any extraordinary losses for the Chinese business expenses incurred during the Shanghai lockdown?

A. For the Q1, we have not included the factory costs in non-operating expenses or extraordinary losses, etc. For the Q2 and beyond, we will consider appropriate accounting treatment in light of the impact of the lockdown.

Q. Are there any changes in the competitive environment? How have competitors fared during the lockdown?

A. Some brands that do not have sales companies, factories, and warehouses in the Shanghai area may not have been as affected by the lockdown as we were, but all brands were affected to some extent by the local lockdown (e.g., inability to ship to customers due to closure of EC retail warehouses). Although the lockdown has caused product supply delays in mainland China in Q1, we see no decline in the market share of our Nursing bottles and no significant change in the competitive environment.

Q. What is the background behind the YoY growth in sell-out in the Q1 while sell-in in the Q1 was below the previous quarter?

A. Sell-in sales were below YoY level due to the impact of the lockdown. On the other hand, sell-out grew especially in offline sales. This is because closure of EC retailer's warehouse made shipments stopped, but for the offline channel, many stores were able to continue sales due to the success of our distributors and retailers' sales network spread across the entire country.

Q. Please tell us about the sales by region in mainland China.

A. It is very difficult to accurately calculate sales by region since the percentage of sales through EC is now over 60%. We cover almost all of China nationwide, but our main areas are first and second tier cities in the coastal and inland regions, including Shanghai. And we have been focusing on sales in third and fourth tier cities since about two or three years ago.

[Singapore Business]

Q. What are the reasons for the strong performance in major countries?

A. Although sales in Southeast Asia and India had been struggling for the past two years due to the Covid-19, the number of cases has recently calmed down. This year sales have been strong especially for core products such as Nursing bottles, Skincare, and Oral care products.

[END]