

Pigeon Corporation (TSE: 7956)

Price (as of March 31, 2024): **¥1,453.5** (retroactively adjusted) **P/E (forward): 22.9** **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		March 2024
Market Cap (¥M)		176,823
PE Forward (times)		22.9
Dividend Yield (%)		—
		March 2024
Net Sales (¥M)		23,749
Operating Income (¥M)		2,697
Net Income (¥M)		1,906
		March 2024
Total Assets (¥M)		102,492
Total Shareholders' Equity (¥M)		65,231
Interest-Bearing Debt (¥M)		-
Retained Earnings (¥M)		56,388
Key Financial Indicators		March 2024
Gross Profit/Net Sales (%)		49.0
Operating Income/Net Sales (%)		11.4
Net Income/Net Sales (%)		8.0
SG&A/Net Sales (%)		37.6
Equity Ratio (%)		75.4
Segment Information		March 2024
Japan Business (¥M)		8,734
China Business (¥M)		8,356
Singapore Business (¥M)		3,115
Lansinoh Business (¥M)		5,068
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

Global #1 market share for Nursing Bottles. For more than 60 years since its establishment, the Pigeon Group has continued conducting intensive R&D with the aim of bringing happiness to babies and their families. We offer highly competitive products and services and are now expanding our business over 90 markets around the world.

We are promoting the "8th Mid-Term Business Plan" starting in 2023 to flexibly respond to the rapidly changing global business environment and to ensure sustainable growth. In addition to sustained growth in existing business areas, we are aggressively restructuring our business structure by focusing on exploring and nurturing new growth areas where we can leverage our knowledge and expertise.

Performance Overview (1st Quarter)

Business results during the consolidated first quarter under review reflected a number of challenges. In net sales, several developments weighed on revenues: Exports from the Japan Business declined amid the impact of the controversy over release of water treated with the Advanced Liquid Processing System (ALPS), as well as decreased sales in mainland China and continuing shipping adjustments in the Singapore Business. However, yen depreciation and growing sales in the Lansinoh Business helped to offset these reverses. Net sales were little changed at ¥23,749 million (up 0.6% YOY). In earnings, higher revenues boosted gross profit margin, but operating income fell to ¥2,697 million (down 20.8% YOY), ordinary income declined to ¥2,963 million (down 21.8% YOY) and net income attributable to owners of parent dropped to ¥1,906 million (down 21.8% YOY), as personnel expenses rose and funds were expended on vigorous campaigns

Forecast

A: Actual; CE: Company Estimate **Currency exchange rate for 2024(CE): \$1 = ¥135.00**

	¥ Million			\$ Thousand
	2024/12(A) Q1	2023/12(A) Full-year	2024/12 (CE) Full-year *	2024/12 (CE) Full-year *
Net Sales	23,749	94,461	101,000	748,148
Operating Income	2,697	10,726	11,400	84,444
Net Income	1,906	7,423	7,600	56,296

	¥			\$
	2024/12(A) Q1	2023/12(A) Full-year	2024/12 (CE) Full-year	2024/12 (CE) Full-year
EPS	15.94	62.06	63.54	0.47
Cash Dividend per Share		76.00	76.00	0.56

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 Three months ended March 31

Profit and Loss	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2021 ^{*1}	2022 ^{*1}	2023 ^{*1}	2023 ^{*1}		2023 ^{*2}	2024 ^{*2}	2024 ^{*2}	
Net Sales	93,080	94,921	94,461	636,401	(0.5)	23,613	23,749	160,001	0.6
Cost of Sales	49,008	50,087	49,008	330,176	(2.2)	12,122	12,110	81,587	(0.1)
Gross Profit	44,072	44,834	45,452	306,218	1.4	11,490	11,639	78,414	1.3
SG&A Expenses	30,735	32,638	34,726	233,955	6.4	8,086	8,941	60,237	10.6
Operating Income	13,336	12,195	10,726	72,263	(12.0)	3,404	2,697	18,170	(20.8)
Other Income (Loss)	1,312	1,269	797	5,370	(37.2)	386	266	1,792	(31.1)
Ordinary Income	14,648	13,465	11,522	77,626	(14.4)	3,791	2,963	19,962	(21.8)
Extraordinary Income (Loss)	(1,117)	(322)	(368)	(2,479)	14.3	(4)	4	27	(200.0)
Net Income Attributable to Non-controlling Interests	193	179	137	923	(23.5)	52	37	249	(28.8)
Net Income Attributable to Owners of Parent	8,785	8,581	7,423	50,010	(13.5)	2,438	1,906	12,841	(21.8)

Profit and Loss	¥				YOY Change (%)	¥			YOY Change (%)
	2021 ^{*1}	2022 ^{*1}	2023 ^{*1}	2023 ^{*1}		2023 ^{*2}	2024 ^{*2}	2024 ^{*2}	
EPS	73.44	71.72	62.06	0.4	(13.5)	20.38	15.94	0.1	(21.8)
Cash Dividend per Share	74.00	76.00	76.00	0.5	0.0	-	-	-	-

Balance Sheet	¥ Million				YOY Change (%)	¥ Million			YOY Change (%)
	2021 ^{*1}	2022 ^{*1}	2023 ^{*1}	2023 ^{*1}		2023 ^{*2}	2024 ^{*2}	2024 ^{*2}	
Cash and Time Deposits	35,218	34,283	34,357	231,469	0.2	28,042	31,513	212,309	12.4
Notes and Accounts Receivable	16,253	15,975	14,412	97,096	(9.8)	17,338	18,678	125,837	7.7
Inventories	12,706	15,318	13,535	91,188	(11.6)	17,161	14,199	95,661	(17.3)
Tangible Fixed Assets	27,093	30,132	31,952	215,266	6.0	31,865	31,202	210,214	(2.1)
Intangible Fixed Assets	2,572	2,308	1,483	9,991	(35.7)	2,129	1,401	9,439	(34.2)
Total Assets	98,042	101,733	100,440	676,683	(1.3)	101,034	102,492	690,507	1.4
Notes and Accounts Payable	4,087	5,066	3,643	24,544	(28.1)	5,546	5,391	36,320	(2.8)
Interest-Bearing Debt	-	-	76	512	-	90	-	-	-
Total Net Assets	76,810	79,952	81,087	546,298	1.4	78,608	80,770	544,162	2.8
Total Shareholders' Equity	70,062	69,706	67,876	457,293	(2.6)	67,617	65,231	439,473	(3.5)
Equity Ratio (%)	75.4	75.4	77.2	-	2.4	74.5	75.4	-	1.2

Currency exchange rate (as of March 31, 2024) : \$1 = ¥148.43

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

End of March

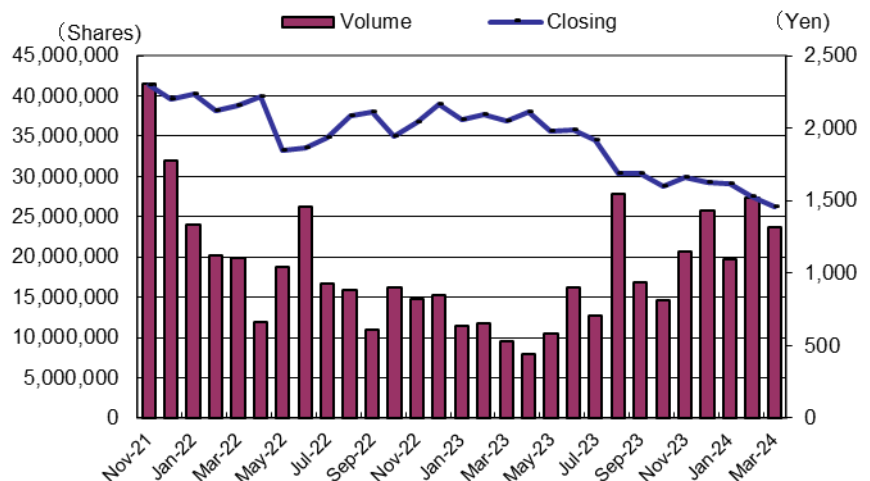
Stock Trading Unit

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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