

Pigeon Corporation (TSE: 7956)

Price (as of Sep. 30, 2024): **¥1,682** (retroactively adjusted) **P/E (forward): 26.5** **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	Sep. 2024
Market Cap (¥M)	204,621
PE Forward (times)	26.5
Dividend Yield (%)	—

	Sep. 2024
Net Sales (¥M)	76,037
Operating Income (¥M)	8,481
Net Income (¥M)	5,426

	Sep. 2024
Total Assets (¥M)	99,975
Total Shareholders' Equity (¥M)	64,200
Interest-Bearing Debt (¥M)	—
Retained Earnings (¥M)	55,358

Key Financial Indicators	Sep. 2024
Gross Profit/Net Sales (%)	49.4
Operating Income/Net Sales (%)	11.2
Net Income/Net Sales (%)	7.1
SG&A/Net Sales (%)	38.2
Equity Ratio (%)	75.5

Segment Information	Sep. 2024
Japan Business (¥M)	26,642
China Business (¥M)	28,466
Singapore Business (¥M)	10,694
Lansinoh Business (¥M)	15,597

Shareholder Profile	June 2024
Financial Institutions (%)	39.8
Individuals and Others (%)	34.9
Non-Japanese Corporations (%)	17.8
Japanese Corporations (%)	6.0
Treasury Stock (%)	1.6

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

Stock Data	June 2024
Number of Shares Outstanding	121,653,486
Number of Shareholders	75,016

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 (3rd Quarter)

Sales of the Pigeon Group expanded during the consolidated first-nine-month period under review, while earnings retreated. Net sales grew to ¥76,037 million (up 4.2% YOY), buoyed by yen depreciation and led by the Lansinoh Business and China Business. In earnings, higher revenues boosted gross profit, but the Group invested actively in selling, general and administrative expenses to bolster net sales and market share in mainland China, particularly in the China Business. Operating income dropped to ¥8,481 million (down 16.7% YOY), ordinary income fell to ¥8,833 million (down 20.8% YOY) and net income attributable to owners of parent slid to ¥5,426 million (down 25.5% YOY).

Forecast

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

	¥ Million			\$ Thousand
	2024/12(A) Q3	2023/12(A) Full-year	2024/12 (CE) Full-year *	2024/12 (CE) Full-year *
Net Sales	76,037	94,461	101,000	748,148
Operating Income	8,481	10,726	11,400	84,444
Net Income	5,426	7,423	7,600	56,296

	¥			\$
	2024/12(A) Q3	2023/12(A) Full-year	2024/12 (CE) Full-year	2024/12 (CE) Full-year
EPS	45.38	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 consolidated accounting period of fiscal year 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 Dec. 31 *2 Nine months ended Sep. 30

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	624,949	(0.5)	72,942	76,037	503,057	4.2
Cost of Sales	49,008	50,087	49,008	324,234	(2.2)	37,016	38,485	254,615	4.0
Gross Profit	44,072	44,834	45,452	300,708	1.4	35,925	37,551	248,435	4.5
SG&A Expenses	30,735	32,638	34,726	229,745	6.4	25,741	29,069	192,319	12.9
Operating Income	13,336	12,195	10,726	70,963	(12.0)	10,183	8,481	56,110	(16.7)
Other Income (Loss)	1,312	1,269	797	5,273	(37.2)	966	352	2,329	(63.6)
Ordinary Income	14,648	13,465	11,522	76,229	(14.4)	11,149	8,833	58,439	(20.8)
Extraordinary Income (Loss)	(1,117)	(322)	(368)	(2,435)	14.3	(9)	(401)	(2,653)	4,355.6
Net Income Attributable to Non-controlling Interests	193	179	137	906	(23.5)	131	119	787	(9.2)
Net Income Attributable to Owners of Parent	8,785	8,581	7,423	49,110	(13.5)	7,281	5,426	35,898	(25.5)

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)	60.86	45.38	0.3	(25.4)
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	227,304	0.2	31,103	33,172	219,464	6.7
Notes and Accounts Receivable	16,253	15,975	14,412	95,349	(9.8)	18,799	16,397	108,482	(12.8)
Inventories	12,706	15,318	13,535	89,547	(11.6)	16,009	15,050	99,570	(6.0)
Tangible Fixed Assets	27,093	30,132	31,952	211,393	6.0	33,154	29,729	196,685	(10.3)
Intangible Fixed Assets	2,572	2,308	1,483	9,811	(35.7)	1,801	1,201	7,946	(33.3)
Total Assets	98,042	101,733	100,440	664,505	(1.3)	105,432	99,975	661,429	(5.2)
Notes and Accounts Payable	4,087	5,066	3,643	24,102	(28.1)	4,290	5,229	34,595	21.9
Interest-Bearing Debt	-	-	76	503	-	72	-	-	-
Total Net Assets	76,810	79,952	81,087	536,467	1.4	82,414	78,764	521,098	(4.4)
Total Shareholders' Equity	70,062	69,706	67,876	449,064	(2.6)	67,733	64,200	424,744	(5.2)
Equity Ratio (%)	75.4	75.4	77.2		2.4	74.8	75.5		0.9

Currency exchange rate (as of Sep. 30, 2024) : \$1 = ¥151.15

Corporate Data

(As of June 30, 2024)

Head Office

4-4, Nihonbashi-Hisamatsucho, Chuo-ku,
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

3,590 (Worldwide, Includes Part-time employees)
345 (Japan, Full-time employees)

Fiscal Year-End

December 31

Annual Shareholders' Meeting

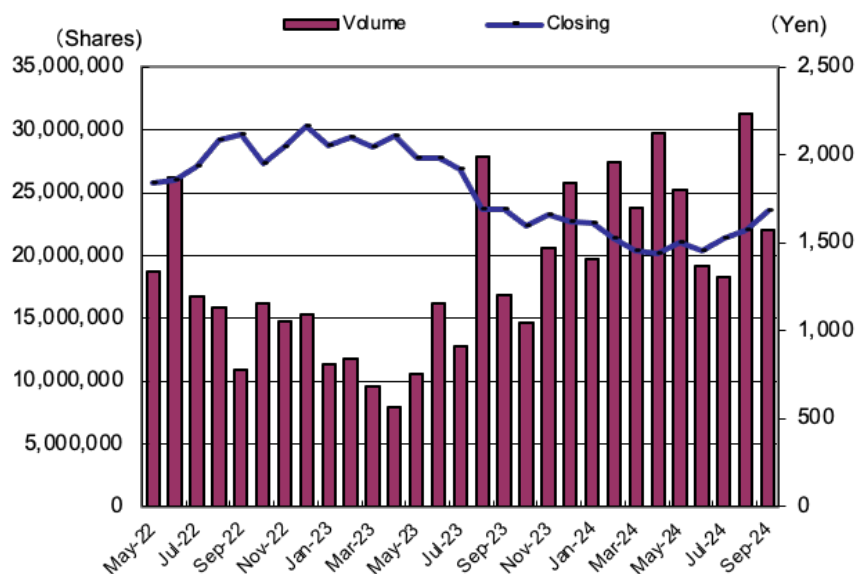
End of March

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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