Summary of Financial Results
for the Third Quarter of Fiscal Year Ending December 2021
[Japanese Standards] (Consolidated)

November 4, 2021

Name of Listed Company: Pigeon Corporation (Stock code: 7956)
Listing: First Section, Tokyo Stock Exchange
Website: www.pigeon.com
Representative: Norimasa Kitazawa (President and CEO)
Contact person: Nobuo Takubo (Managing Officer, Business Strategy Division Manager) /Tel: +81-3-3661-4204
Scheduled Filing Date of Quarterly Report: November 5, 2021
Scheduled Commencement Date of Dividend Payments: —
Preparation of Any Additional Explanatory Materials for Quarterly Financial Results: Yes
Holding of Any Briefing Session for Quarterly Financial Results: Yes

1. Consolidated Business Performance for the First Three Quarters of Fiscal Year Ending December 31, 2021 (January 1 to September 30, 2021)

(1) Consolidated Operating Results (cumulative)

(Millions of yen, rounded down, % figures denote year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
3Q ended September 30, 2021	69,426	(6.0)%	10,444	(17.5)%	11,774	(13.2)%	7,185	(23.3)%
3Q ended September 30, 2020	73,838	(4.8)%	12,661	(8.8)%	13,569	(3.3)%	9,365	(2.1)%

(Note) Comprehensive income: 3Q ended September 30, 2021 ¥9,411 million (9.7%)
3Q ended September 30, 2020 ¥8,575 million (4.6%)

	Net Income per Share (¥)	Diluted Net Income per Share (¥)
3Q ended September 30, 2021	60.06	—
3Q ended September 30, 2020	78.25	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
3Q ended September 30, 2021	93,128	73,232	75.7
FY ended December 31, 2020	93,472	72,625	74.8

(Reference) Shareholders' Equity: 3Q ended September 30, 2021 ¥70,477 million
FY ended December 31, 2020 ¥69,903 million

2. Cash Dividends

	Annual Dividend (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY ended December 31, 2020	—	36.00	—	36.00	72.00
FY ending December 31, 2021	—	37.00	—		
FY ending December 31, 2021 (Forecast)				37.00	74.00

(Note) Changes in dividend forecasts from the most recent announcement: None

3. Consolidated Business Performance Forecasts for the Fiscal Year Ending December 31, 2021 (January 1 to December 31, 2021)

(% figures denote year-on-year change from the previous term)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	94,300	(5.1)	13,200	(13.8)	14,600	(9.4)	9,100	(14.5)	76.06

(Note) Revision of forecasts from the most recent announcement: Yes

Notes

(1) Changes in major subsidiaries (or changes in specific subsidiaries that affect the scope of consolidation) during the period under review: None
New: － (Company name: －), Excluded: － (Company name: －)

(2) Application of any accounting procedures specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting-based estimates, and restatements
1) Changes in accounting policies associated with revision of accounting standards: Yes
2) Changes in accounting policies other than the above 1): None
3) Changes in accounting-based estimates: None
4) Restatements: None

(4) Number of outstanding shares (common stock)
1) Number of shares outstanding at the period-end (including treasury stock)
3Q ended September 30, 2021: 121,653,486
FY ended December 31, 2020: 121,653,486
2) Amount of treasury stock at the period-end
3Q ended September 30, 2021: 2,017,962
FY ended December 31, 2020: 2,017,880
3) Average number of shares outstanding during the period (quarter accumulation)
3Q ended September 30, 2021: 119,635,556
3Q ended September 30, 2020: 119,688,777
(Note) Amount of treasury stock at the period-end includes Company shares held by the board incentive plan (BIP) trust for compensation of directors (124,800 shares as of 3Q ended September 30, 2021; 124,800 shares as of FY ended December 31, 2020). Company shares held by the BIP trust for compensation of directors are also included in the treasury stock subtracted in the calculation of the average number of shares outstanding during the period.

* Summaries of quarterly financial results are exempt from quarterly review by certified public accountants and auditing corporations.

* Cautionary Statement regarding Performance Forecasts
The forecasts and future projections stated in this report have been prepared on the basis of the information and assumption that shall be reasonable as of the date of announcement of this summary information, and the forecasts and future projections stated in this report are in no way intended as a promise of achievement as a company.
In addition, the actual results could differ significantly from forecast figures depending on a variety of factors. See the section “(3) Explanation of Consolidated Performance Forecast and Other Future Predictions” in “1. Qualitative Information Regarding the Financial Results for the Current Quarter” on page 4 regarding conditions which are preconditions for business performance forecasts and cautions for using the business performance forecast.

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1. Qualitative Information Regarding the Financial Results for the Current Quarter

(1) Explanation of Business Performance

During the consolidated first nine-month period under review, the Japanese economy continued to face tough conditions due to the impact of COVID-19. In the global economy, although the impact of COVID-19 continues to create tough conditions, some trends toward improvement have been observed and movement toward recovery is expected to continue. However, significant caution is needed regarding subsequent waves of the virus. Accordingly, we predict that uncertainty regarding the future will continue for the time being.
Amid such circumstances, the Group has established three basic strategies (brand strategy, core product strategy, and regional strategy) in our Seventh Medium-Term Business Plan (for the period between the fiscal year ended December 2020 and the fiscal year ending December 2022) that was formulated in February 2020. Now, in the second year of the Plan, we are implementing various measures for business growth, as well as to realize our purpose which is “we want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies' unique needs.”
During the consolidated first nine-month period under review, due to the application of the Accounting Standard for Revenue Recognition, etc. and the continued impact of the spread of COVID-19, net sales amounted to ¥69,426 million (down 6.0% YOY). Regarding earnings, in addition to a decrease in net sales, the Group actively used sales promotion expenses, advertising expenses, research and development expenses, etc., resulting in operating income of ¥10,444 million (down 17.5% YOY), ordinary income of ¥11,774 million (down 13.2% YOY), and net income attributable to owners of parent of ¥7,185 million (down 23.3% YOY).
Furthermore, as a change in accounting policies, the Group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020) from the beginning of the consolidated first nine-month period under review. For this reason, the year-on-year comparison uses numbers based on different calculation methods. For details, please refer to “(3) Notes on Consolidated Financial Statements (Change in Accounting Policy)” in “2. Quarterly Consolidated Financial Statements and Main Notes.”

The main exchange rates used in the preparation of this nine-month period’s financial statements for the Company’s overseas consolidated subsidiaries (revenues and expenses) are as follows:
・1 US$: 108.54 yen (107.55 yen)
・1 CNY: 16.77 yen (15.37 yen)
Note: Figures in parentheses represent the exchange rate in the same period of the previous fiscal year.

From the fiscal year ended December 31, 2020, the Group has a total of four reporting segments: the Japan Business, China Business, Singapore Business, and Lansinoh Business.
An outline of each segment is given below.
Due to the application of the Accounting Standard for Revenue Recognition from the beginning of the consolidated first nine-month period under review, the year-on-year comparison for the Japan Business and China Business segments uses numbers based on different calculation methods. For details, please refer to “(3) Notes on Consolidated Financial Statements (Segment Information)” in “2. Quarterly Consolidated Financial Statements and Main Notes.”

Japan Business
This segment consists of businesses such as the Domestic Baby & Mother Care Business, Child Care Service Business, and Health & Elder Care Business. Due to factors such as application of the Accounting Standard for Revenue Recognition, net sales for the entire segment amounted to ¥29,267 million (down 13.9% YOY). Segment profit decreased compared to the same period of the previous fiscal year to ¥1,686 million (down 31.1% YOY) due to factors such as a decrease in gross profit caused by the decline in net sales.

In the category of products for babies and mothers, net sales were down year-on-year. This was due to factors such as the complete lack of inbound demand from foreign visitors to Japan, special demand for cleaning/sterilization-related products, wet wipes, etc., having run its course, and the subsequent waves of COVID-19 throughout Japan. On the other hand, sales continued to be strong for breast pumps, which is an area of focus by the Group. In July, we released the bouncer "Wuggy" early at some stores. Wuggy brings even greater happiness to family time spent at home and cultivates a circle of family happiness. Then, in September, we released "BASIS Polka Dot Denim" as the fifth edition of the extremely popular stroller series BASIS, which can only be purchased at select stores. Wuggy and BASIS Polka Dot Denim have been extremely well received.
As part of our initiatives for direct communication, during the consolidated first nine-month period under review, the Group held joint seminars with our business partners and performed SNS live streaming to convey the features of our products in an easy-to-understand manner. The streamed content was viewed by a total of nearly 5,000 people. We also streamed the breastfeeding seminar "Oppai College" for pregnant mothers and received online participation from more than 1,300 women. In order to alleviate the anxiety of mothers and fathers in the midst of the COVID-19 pandemic, we are working to enhance support contents provided via the internet and SNS, and to further improve the website Pigeon Info, which supports women in the different phases of pregnancy, childbirth, and childcare.
In the category of products for health and elder care, sales decreased year-on-year due to factors such as the special demand for some products from last year having run its course, and a revision of our product lineup. We renewed the Group's oral care series as the "Clean Smile Series" and released products in February 2021. In August, we released the new food-thickening agent "Liquid Thickener— Simply Add," which allows users to enjoy the original flavor and appearance of their meal. Sales of the agent are steadily increasing.
Regarding child care service, during the consolidated first nine-month period under review, we currently provide services at 63 in-company child-care facilities, and shall continue to develop this business further while striving to improve the quality of service content.

China Business
Net sales in this segment amounted to ¥27,640 million (up 1.4% YOY), while segment profit decreased to ¥9,161 million (down 5.8% YOY).
In September, we renewed the "Bonyu Jikkan®" series which was born from more than 60 years of baby nursing research and possesses the largest market share in Japan and China (according to survey by Pigeon). We started pre-sale of the new series starting from the Chinese market. Sales of skin care products increased steadily due to factors such as the launch of a series focusing on hot spring ingredients and the renewal of existing products.
Profits in the China Business decreased year-on-year due to factors such as changes in our product sales composition ratio and investment expenses aimed at strengthening sales promotion measures for e-commerce, an area which is rapidly expanding.
The Group is continuing to leverage SNS and live streaming to invigorate direct communication with consumers and support the provision of child care information during COVID-19, to reinforce sales promotions at stores and promote distribution of new products, and to strengthen activities at hospitals and maternity clinics. In these ways, we are working to broaden contact points with customers and expand our operations.

Singapore Business
Net sales of the segment amounted to ¥9,170 million (down 4.6% YOY), and segment profit decreased to ¥1,354 million (down 22.4% YOY).
The ASEAN region and India in which this segment does business continues to suffer from subsequent waves of COVID-19 in various regions. Business continues to be impacted by factors such as intermittent restrictions on corporate activities and stagnating consumption. Moreover, there are sluggish sales of products exported to the Middle East and decreased shipping of products destined for Japan from our Thailand Plant. As a result of factors such as these, conditions are tough.
In terms of products, in the skin care category that is an area of focus by the Group, we released the new skin care series "Natural Botanical" in Singapore and Malaysia in August. Moving forward, we

will continue to promote the development and launch of products for the upper-middle class, and actively develop sales and marketing activities with the aim of achieving market penetration for the Group brands.

Lansinoh Business
Net sales of the segment amounted to ¥9,562 million (up 0.7% YOY), and segment profit decreased to ¥718 million (down 48.4% YOY).
Particularly, in North America, although product arrivals and shipments continued to be delayed due to disruptions in logistics, overall sales were strong for nipple care creams and the new product category of products for care before and after childbirth.
Profits were down year-on-year due to the continued increases of distribution costs such as marine transportation as well as to active utilization of selling, general and administrative expenses such as research and development expenses. Moving forward, in order to further expand business in Europe, China, and other regions in addition to North America, the Group is implementing initiatives such as enhancing our product lineup, strengthening e-commerce, implementing marketing activities, and engaging in brand strengthening activities.

(2) Explanation of Financial Position

(Assets)
As of September 30, 2021, our Group recorded total assets of ¥93,128 million, down ¥343 million from the previous consolidated fiscal year ended December 31, 2020. Current assets decreased by ¥2,042 million, while fixed assets increased by ¥1,698 million.
Current assets decreased mainly due to a decrease in cash and deposits of ¥6,242 million, despite increases in merchandise and finished goods of ¥1,556 million and in other current assets of ¥1,209 million.
Fixed assets increased mainly due to increases in buildings and structures of ¥1,481 million and in land of ¥1,222 million, despite a decrease in other tangible fixed assets of ¥644 million.

(Liabilities)
As of September 30, 2021, our Group recorded total liabilities of ¥19,896 million, down ¥950 million from the previous consolidated fiscal year ended December 31, 2020. Current liabilities decreased by ¥1,564 million, while fixed liabilities increased by ¥614 million.
Current liabilities decreased mainly due to decreases in income taxes payable of ¥985 million and in other current liabilities of ¥988 million, despite an increase in accrued bonuses to employees of ¥510 million.
Fixed liabilities increased mainly due to an increase in other fixed liabilities of ¥514 million.

(Net Assets)
As of September 30, 2021, our Group recorded total net assets of ¥73,232 million, up ¥606 million from the previous consolidated fiscal year ended December 31, 2020.
Net assets increased mainly due to an increase in foreign currency translation adjustment of ¥2,130 million, despite a decrease in retained earnings of ¥1,557 million.

(3) Explanation of Consolidated Performance Forecast and Other Future Predictions

At the current point in time, the future is uncertain due to the global pandemic of COVID-19 in Japan and countries around the world. It is extremely difficult to predict future trends and to calculate the amount of impact on the Group's performance. However, due to the global COVID-19 pandemic, we predict that measures such as intermittent lockdowns (city closures) and enforcement of travel restrictions will continue for the time being. Therefore, the Group has revised quantitative targets for the fiscal year ending December 31, 2021 and the fiscal year ending December 31, 2022 as stated in the "Notice of Revision of Medium-Term Business Plan" announced on February 10, 2021.
In view of the business results for the consolidated first nine-month period under review and other related circumstances, on November 4, 2021, we revised our forecast of business results for the full

fiscal year as follows: net sales of ¥94,300 million (down 6.4% from the previous forecast), operating income of ¥13,200 million (down 20.0% from the previous forecast), ordinary income of ¥14,600 million (down 12.6% from the previous forecast), and net income attributable to owners of parent of ¥9,100 million (down 18.0% from the previous forecast).

2. Quarterly Consolidated Financial Statements and Main Notes
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	At December 31, 2020	At September 30, 2021
ASSETS		
I. Current Assets:		
Cash and deposits	37,163	30,920
Notes and accounts receivable - trade	15,085	15,561
Merchandise and finished goods	8,256	9,813
Work in process	350	668
Raw materials and supplies	2,768	3,413
Other current assets	1,783	2,993
Allowance for doubtful accounts	(178)	(182)
Total Current Assets	65,231	63,188
II. Fixed Assets:		
1. Tangible Fixed Assets:		
Buildings and structures, net	7,212	8,693
Land	6,009	7,232
Other tangible fixed assets, net	10,040	9,396
Total Tangible Fixed Assets	23,262	25,322
2. Intangible Fixed Assets:		
Goodwill	647	556
Other intangible fixed assets	2,310	2,035
Total Intangible Fixed Assets	2,957	2,591
3. Investments and Other Assets:		
Other	2,021	2,026
Allowance for doubtful accounts	(0)	(0)
Total Investments and Other Assets	2,020	2,025
Total Fixed Assets	28,241	29,939
Total Assets	93,472	93,128
LIABILITIES		
I. Current Liabilities:		
Notes and accounts payable - trade	4,757	4,743
Electronically recorded obligations - operating	1,670	1,612
Income taxes payable	1,906	920
Accrued bonuses to employees	952	1,463
Provision for expenses related to voluntary product recall	—	24
Provision for sales returns	53	—
Provision for loss on litigation	7	7
Other current liabilities	6,315	5,326
Total Current Liabilities	15,664	14,100
II. Fixed Liabilities:		
Net defined benefit liability	440	460
Provision for share-based remuneration	205	286
Other fixed liabilities	4,535	5,049
Total Fixed Liabilities	5,181	5,796
Total Liabilities	20,846	19,896

(Millions of yen)

	At December 31, 2020	At September 30, 2021
NET ASSETS		
I. Shareholders' Equity:		
Capital stock	5,199	5,199
Capital surplus	5,179	5,179
Retained earnings	61,120	59,562
Treasury stock	(1,478)	(1,478)
Total Shareholders' Equity	70,020	68,462
II. Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	13	13
Foreign currency translation adjustment	(129)	2,000
Total Accumulated Other Comprehensive Income	(116)	2,014
III. Non-controlling Interests	2,722	2,755
Total Net Assets	72,625	73,232
Total Liabilities and Net Assets	93,472	93,128

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income
(Scope of Consolidation of Third Quarter)

(Millions of yen)

	Nine months ended September, 2020	Nine months ended September 30, 2021
I. Net Sales	73,838	69,426
II. Cost of Sales	36,568	36,247
Gross profit	37,269	33,179
Reversal of provision for sales returns	41	—
Provision for sales returns	53	—
Adjusted gross profit	37,258	33,179
III. Selling, General and Administrative Expenses	24,596	22,735
Operating Income	12,661	10,444
IV. Non-operating Income:		
Interest income	114	125
Subsidy income	720	708
Foreign exchange gains	—	274
Other non-operating income	405	288
Total Non-operating Income	1,241	1,397
V. Non-operating Expenses:		
Interest expenses	2	46
Sales discounts	179	—
Foreign exchange losses	66	—
Other non-operating expenses	84	21
Total Non-operating Expenses	332	67
Ordinary Income	13,569	11,774
VI. Extraordinary Income:		
Gain on sales of fixed assets	3	5
Gain on sales of investment securities	33	54
Total Extraordinary Income	36	59
VII. Extraordinary Loss:		
Loss on sales of fixed assets	21	1
Loss on disposal of fixed assets	57	36
Loss on sales of shares of subsidiaries and associates	170	—
Impairment loss	7	—
Expenses related to voluntary product recall	—	866
Total Extraordinary Loss	257	903
Income before Income Taxes	13,349	10,930
Income taxes - current	3,955	3,722
Income taxes - deferred	(157)	(124)
Total Corporate Income Tax	3,798	3,597
Net Income	9,551	7,332
Net Income Attributable to Non-controlling Interests	186	147
Net Income Attributable to Owners of Parent	9,365	7,185

Quarterly Consolidated Statement of Comprehensive Income
(Scope of Consolidation of Third Quarter)

(Millions of yen)

	Nine months ended September, 2020	Nine months ended September 30, 2021
Net Income	9,551	7,332
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(14)	0
Foreign currency translation adjustment	(961)	2,078
Total Other Comprehensive Income	(975)	2,078
Quarterly Comprehensive Income	8,575	9,411
(Break down)		
Quarterly comprehensive income on parent company	8,644	9,311
Quarterly comprehensive income on non-controlling interests	(68)	99

(3) Notes on Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable.

(Change in Accounting Policy)

(Application of the Accounting Standard for Revenue Recognition, etc.)

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 consolidated first nine-month period 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.

As a result, a portion of the sales promotion expenses, etc., which were previously recorded in selling, general and administrative expenses, and sales discounts, which were recorded in non-operating expenses, have been deducted from net sales. Furthermore, regarding the provision for sales returns that was previously recorded as current liabilities based on the amount equivalent to gross profit, we changed to a method that does not recognize the net sales and the amount equivalent to cost of sales for products that are expected to be returned. Refund liabilities are included in "Other current liabilities" and refund assets are included in "Other current assets."

When applying the Accounting Standard for Revenue Recognition, etc., we comply with the transitional treatment stipulated in the provisions of Paragraph 84 of the Standard. The cumulative impact of retroactively applying the new accounting policy prior to the beginning of consolidated first nine-month period under review is added or subtracted to the retained earnings at the beginning of the consolidated first nine-month period under review and the new accounting policy is applied from the beginning balance. However, there is no effect on the beginning balance.

As a result, for the consolidated first nine-month period under review, net sales decreased by ¥3,619 million, cost of sales decreased by ¥0 million, selling, general and administrative expenses decreased by ¥3,433 million, non-operating income decreased by ¥0 million, and non-operating expenses decreased by ¥185 million. Consequently, gross profit decreased by ¥3,618 million, and operating income decreased by ¥185 million. However, there was no effect on ordinary income or income before income taxes.

In accordance with the transitional treatment stipulated in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12; March 31, 2020), we do not list information showing a breakdown of revenue earned from contracts with customers for the previous consolidated first nine-month period.

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

Nine months ended September 30, 2020

Information Regarding Net Sales and Profit (Loss) in Each Reporting Segment

(Millions of yen)

	Reporting Segment				Total	Adjustments (Note 1)	Amount Accounted on Quarterly Consolidated Statement of Income (Note 2)
	Japan Business	China Business	Singapore Business	Lansinoh Business			
Net sales							
Net sales to external customers	31,586	27,040	5,740	9,470	73,838	—	73,838
Internal sales or exchange between segments	2,405	216	3,876	28	6,527	(6,527)	—
Total	33,991	27,257	9,617	9,498	80,365	(6,527)	73,838
Segment profit	2,446	9,729	1,745	1,392	15,314	(2,653)	12,661

(Notes)
1. The negative amount of ¥2,653 million from adjustments in segment profit includes negative ¥154 million in elimination of intersegment transactions and negative ¥2,498 million in non-allocable operating expenses. Non-allocable operating expenses are administrative costs of our Group.
2. Segment profits are adjusted to operating income in the quarterly consolidated statement of income.

Nine months ended September 30, 2021

1. Information Regarding Net Sales and Profit (Loss) in Each Reporting Segment

(Millions of yen)

	Reporting Segment				Total	Adjustments (Note 1)	Amount Accounted on Quarterly Consolidated Statement of Income (Note 2)
	Japan Business	China Business	Singapore Business	Lansinoh Business			
Net sales							
Net sales to external customers	26,878	27,451	5,553	9,543	69,426	—	69,426
Internal sales or exchange between segments	2,389	188	3,617	19	6,214	(6,214)	—
Total	29,267	27,640	9,170	9,562	75,641	(6,214)	69,426
Segment profit	1,686	9,161	1,354	718	12,920	(2,476)	10,444

(Notes)
1. The negative amount of ¥2,476 million from adjustments in segment profit includes negative ¥31 million in elimination of intersegment transactions and negative ¥2,444 million in non-allocable operating expenses. Non-allocable operating expenses are administrative costs of our Group.
2. Segment profits are adjusted to operating income in the quarterly consolidated statement of income.

2. Items Regarding Changes, etc., to Reporting Segments

(Application of the Accounting Standard for Revenue Recognition, etc.)

As described above in "(Change in Accounting Policy) - (Application of the Accounting Standard for Revenue Recognition, etc.)," the Group has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the consolidated first nine-month period under review. Due to a change in the method of accounting treatment for revenue recognition, similar changes have been made to the methods of measuring profit and loss in each business segment.

As a result, when compared to the previous method of accounting treatment, in the consolidated first nine-month period under review, segment net sales decreased by ¥2,306 million in the Japan Business segment and decreased by ¥1,312 million in the China Business segment. Also, segment profit decreased by ¥185 million in the Japan Business segment.