

June 8, 2009

Company name: Pigeon Corporation

Representative: Akio Okoshi (President and COO)

Listings: First Section, Tokyo Stock Exchange (Stock code: 7956)

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Announcement Regarding Establishment of a Subsidiary in India

Pigeon Corporation announces that a decision was made at the Board of Directors meeting convened on June 8, 2009 to establish a new subsidiary in India as follows.

1. Purpose of Establishing New Subsidiary

Pigeon Corporation is working to not only further expand its business in China and North America, but also to develop new markets in India and elsewhere, as specific means of further globalizing its baby, child and women's care products business, which is part of the company's medium-term business policy stated in the Third Medium-Term Management Plan (covering the period from the year beginning February 1, 2008 to the year ending January 31, 2011), announced in March 2008.

Regarding the Indian market, the Company opened representative office in Mumbai in December 2008 and has been engaged in activities to gather information, expand sales routes, and raise its brand image. Pigeon Corporation now intends to establish a sales subsidiary aimed at building the foundation for its business expansion.

2. Outline of Subsidiary

Company name	PIGEON INDIA Pvt. Ltd.
Establishment date	December 2009 (tentative)
Intended site	Mumbai, India
Main business	Sales of products for baby, child and women's care
Representative	Tatsuya Sugo (President and COO of Pigeon Singapore Pte. Ltd.)
Capital (ownership)	40 million rupees (approx. ¥80 million) Pigeon Singapore Pte. Ltd. (100%-owned subsidiary of Pigeon Corporation): 95% Pigeon Corporation: 5%

3. Future Outlook

In India, business is being conducted primarily in large urban areas, including Delhi and Mumbai, and net sales for the year ended January 2009 were approximately ¥150 million. For the year ending January 2011, which marks the final year of the Medium-Term Management Plan, we are aiming for net sales exceeding ¥500 million.

The establishment of the subsidiary will have a minor impact on the Company's consolidated and unconsolidated performance forecasts for the year ending January 2010.