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Announcement Regarding Acquisition of Exclusive Sales Rights for Mamas & Papas Products in Japan

Pigeon Corporation announces that it has concluded an agreement with United Kingdom-based Mamas & Papas Ltd. and acquired exclusive sales rights for the latter's products in Japan.

1. Background and Purpose of Contract

The Pigeon Group adopted reinforcement of existing businesses in Japan and development of new businesses as medium-term business policies in the Third Medium-Term Management Plan that it announced in March 2008 (covering the period from the year beginning February 1, 2008 to the year ending January 31, 2011) and made the creation of new market opportunities a priority issue. In line with the acquisition of exclusive sales rights for Mamas & Papas products in Japan, Pigeon will market fashionable baby, childcare and maternity products tailored to changing lifestyles and expand its business into new markets in addition to the high-quality, high-function baby, childcare and maternity products based on research and development conducted under the Pigeon brand.

2. Details of the Exclusive Sales Rights

Catalog and online sales of Mamas & Papas products in Japan.

* Examples of items: Baby clothes, maternity clothes, baby carriages, child car seats, beds, chairs, furniture, bedding, and toys.

3. Outline of Mamas & Papas Ltd.

Company name	Mamas & Papas Ltd.
Location	Huddersfield, UK
Establishment	1981
Annual turnover	£120 million (approx. ¥18.6 billion)
Business scope	Manufacture and retail distribution of maternity, baby and childcare products such as apparel <i>[Business in the United Kingdom]</i> 36 directly-managed shops (including four shops in preparation for opening), catalog sales, mail order sales, and online sales <i>[Business Outside of the United Kingdom]</i> Conducted through a franchise system. There are currently 15 shops in the Middle East and 16 shops will open in Russia.

4. Future Outlook

Sales of Mamas & Papas products in Japan will start in February 2010 with the publication of the spring/summer catalog. Net sales are expected to be ¥300 million in the first year and to grow to ¥2 billion five years later (the year ending January 31, 2015).

Acquisition of the exclusive sales rights will have a minimal impact on business forecasts for the Pigeon Group for the combined first two quarters and the full term of the year ending January 31, 2010.