

August 28, 2009

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Announcement Regarding Performance Revision to the Performance Forecasts for the Year Ending January 31, 2010

Pigeon Corporation has revised its financial forecasts for the year ending January 31, 2010, previously announced on March 6, 2009 after taking into account the recent operating performance.

1. Consolidated Performance Revision

(1) Consolidated Financial Results for the Six Months Ended July 31, 2009 (Feb.1-July 31, 2009)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	26,700	1,650	1,600	1,000	49.96
Latest revised forecast (B)	26,250	2,150	2,180	1,300	64.94
Amount changes (B-A)	(450)	500	580	300	-
% changes	(1.7)	30.3	36.3	30.0	-
(Reference) Results for the six months ended July 31, 2008	26,662	2,118	2,104	1,363	68.23

(2) Consolidated Financial Results for the Year Ending January 31, 2010 (Feb.1, 2009-Jan.31, 2010)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	56,000	4,400	4,350	3,000	149.88
Latest revised forecast (B)	56,000	4,700	4,700	3,000	149.88
Amount changes (B-A)	-	300	350	-	-
% changes	-	6.8	8.0	-	-
(Reference) Results for the year ended January 31, 2009	53,092	4,269	4,293	2,854	142.75

2. Non-consolidated Performance Revision

(1) Non-consolidated Financial Results for the Six Months Ended July 31, 2009 (Feb.1-July 31, 2009)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	16,390	260	950	800	39.96
Latest revised forecast (B)	16,210	420	1,160	720	35.97
Amount changes (B-A)	(180)	160	210	(80)	-
% changes	(1.1)	61.5	22.1	(10.0)	-
(Reference) Results for the six months ended July 31, 2008	16,015	399	1,100	919	46.02

(2) Non-consolidated Financial Results for the Year Ending January 31, 2010 (Feb.1, 2009-Jan.31, 2010)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	33,100	630	1,650	1,400	69.94
Latest revised forecast (B)	33,100	780	1,850	1,200	59.95
Amount changes (B-A)	-	150	200	(200)	-
% changes	-	23.8	12.1	(14.3)	-
(Reference) Results for the year ended January 31, 2009	31,439	525	1,307	949	47.49

3. Reason for the Revisions

The major factors behind our decision to revise our forecasts are as follows: an improved cost ratio exceeding the initial estimate as the results of aggressive price reductions, in-house production, etc., amid the continued increases in raw materials prices; part of selling, general and administrative expenses falling below the estimated amount due to the performance of net sales, deferred execution period until the second half, etc.; and the yen becoming weaker than initially estimated, etc.

The main factor behind our decision to revise our forecast for non-consolidated net income for the first half of the year ending January 2010 was that we reported an extraordinary loss, etc., in response to a business partner filing for Civil Rehabilitation Act bankruptcy protection as announced on March 31, 2009.

With respect to our forecast for the year ending January 2010, we expect to meet the net sales we forecast at the beginning of the year. However, we have revised this forecast in view of our performance in the first half of the year since it is difficult to predict exchange rate fluctuations at this point in time.

* The above forecasts are based on information available at the time of publication. For various reasons, actual results may differ significantly from the above forecasts.