

September 4, 2017

Company name: Pigeon Corporation

Representative: Shigeru Yamashita (President and COO)

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

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Notice Regarding Revision of Earnings Forecast

Considering the recent business trend, etc., we have revised the earning forecast for fiscal year ending January 2018, which was released on March 6, 2017, as follows:

Details

1. Consolidated business results for the term ending January 2018 (Feb. 1, 2017 – Jan. 31, 2018)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	99,800	17,000	17,000	11,800	98.53 yen
Revised forecast (B)	101,200	18,700	18,600	13,000	108.55 yen
Increase (decrease) (B-A)	1,400	1,700	1,600	1,200	—
Percentage of increase (decrease) (%)	1.4	10.0	9.4	10.2	—
(Reference) Results of the previous term (ended Jan. 31, 2017)	94,640	16,015	16,462	11,118	92.84 yen

(Millions of yen, %)

2. Reason for revision

Our review of consolidated business results by the business segment during the consolidated first six-month period shows that our business operation in the China Business is expanding steadily, particularly in the E-commerce channel, and that the performance of the Overseas Business has also continued to be strong, mainly because of strong sales result of Lansinoh Laboratories Inc., which operates its business in North America and Europe. In addition, net sales in the Domestic Baby & Mother Care Business increased from the previous quarter, mainly because expansion of inbound tourism demand, and as a result, consolidated net sales exceeded the figure of the same period of the previous year. Further, operating income, ordinary income and net income attributable to owners of parent substantially exceeded the figures of the same period of the previous year, thanks to the

improvement of gross profit resulted from an increase in net sales and a reduction in the sales cost ratio, as well as effective use of selling, general and administrative expenses

Taking into account the above mentioned consolidated business results during the consolidated first six-month period, we have decided to revise upwardly our previously announced forecast for the consolidated annual business performance in the fiscal year ending January 2018.

Therefore, considering the present revision of our earnings forecast, the average exchange rate for the second half of the year is assumed to be approximately 108.00 yen against the US dollar (compared to 112.33 yen in the first half), and approximately 16.00 yen against the Chinese yuan (compared to 16.38 yen in the first half).

(Note) The above-mentioned forecasts are based on information available at the time of this news release. Actual results may differ from such forecasts due to various future circumstances.