

July 8, 2013

Company name: Pigeon Corporation
Representative: Shigeru Yamashita (President and COO)
Listings: First Section, Tokyo Stock Exchange (Stock Code: 7956)
Contact: Tsutomu Matsunaga
(Managing Officer, Corporate Administration Division)
Phone: +81-3-3661-4188 (direct line)

Notice Regarding Construction of a Plant at a Subsidiary in India

A consolidated subsidiary of the Company, Pigeon India Pvt. Ltd., will build a new production facility.

Details

1. Objectives

One of the medium-term project policies of the Pigeon Group, as detailed in the fourth medium-term business plan (starting February 2011 and ending January 2014), announced in March 2011, is to expand growth as a global company by focusing aggressively on overseas markets for child-care and women's-care products. Specifically, the plan calls for an expanded presence in China and North America and opening of operations in new markets such as India.

In November 2009 the Group established a sales subsidiary in Mumbai. This subsidiary is active in gathering information, expanding sales and brand development. In the current initiative, the Group is building a new production facility in the suburbs of Delhi, to strengthen the Group's organization in India in preparation for future operational expansion.

Overview of Pigeon India Pvt. Ltd.

Name	Pigeon India Pvt. Ltd.
Location	504, Everest Grande Opp. Ahura Centre, Mahakali caves Road, Andheri East. Mumbai 400 093. Maharashtra INDIA
Capital (Share of ownership)	500 million rupees (approx. ¥850 million) Pigeon Singapore Pte. Ltd. (a wholly owned subsidiary of the Company): 99.6% Pigeon Corporation: 0.4%
Date established	November 2009
Operations	Sale of products for infants and expectant women
Representative	Atsushi Kawaguchi

2. Overview of Production Facility

Location	Plot No. 06E, Sector-40-41, Ecotech-I, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, INDIA
Area	Land area: Approximately 12,000 sqm Building area: 3,000 sqm Floor area: 5,200 sqm
Date of start of construction	October 2013 (expected)
Date of start of operations	Gradual launch beginning January 2015 (expected)
Funds invested	Approximately ₹1,040 million (calculated at ₹1.7 per rupee) *Expected cumulative investment to FY2020 *Of the amount above, the initial investment to FY2016 is approximately ₹730 million. *Land-use rights, construction of plant buildings and production equipment
Key products	1. Silicone nipples (from January 2015) 2. Plastic baby bottles (from 2016)
Annual production capacity (Forecast for FY2020)	1. Silicone nipples: 20 million units or more 2. Plastic baby bottles: 2 million units or more
Number of employees	At start of operations (January 2015): 20 (expected)

3. Forecast

The Group expects that the buildings will be complete and the production equipment installed by October 2014. Operations will be phased in from January 2015.

In the current fiscal year (FY2014), the Group plans to expand its India operations to net sales of approximately ₹500 million. With the current capital investment, the Group will begin producing its best-selling products, baby bottles and nipples, in India. This achievement is aimed at preparing for further expansion of operations and increasing earnings.

The directors of the Company expect the establishment of the plant at this subsidiary to have a negligible effect on the forecast of consolidated business results for the Company for FY2014.