August 9, 2022
Company name: Pigeon Corporation
Representative: Norimasa Kitazawa
(President and CEO)
(7956, TSE Prime)
Contact: Nobuo Takubo
(Business Strategy Division Manager)
Phone: +81-3-3661-4204

Notice regarding Revision of Earnings Forecast

Pigeon Corporation has revised the earning forecast for the fiscal year ending December 31, 2022, which was released on February 15, 2022, in view of recent business trends and related factors. Details are as follows:

1. Consolidated Business Performance for the Fiscal Year Ending December 31, 2022 (January 1 to December 31, 2022)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	EPS (Yen)
Previous Forecast (A)	98,700	14,200	14,300	9,500	79.41
Revised Forecast (B)	95,000	12,000	13,000	8,550	71.46
Increase (decrease) (B - A)	(3,700)	(2,200)	(1,300)	(950)	-
Percentage of increase (decrease) (%)	(3.7)	(15.5)	(9.1)	(10.0)	-
(Ref.) Dec./2021 results*	93,080	13,336	14,648	8,785	73.44

2.Reason for Revision

As for the Group's consolidated results for the first half of the fiscal year ending December 31, 2022, consolidated net sales were 45,292 million yen (down 4.2% year-on-year), and consolidated operating income was 5,118 million yen (down 32.6% year-on-year). While sales in Singapore and Lansinoh businesses were strong during the period under review, and there were factors contributing to increased revenues and profits, such as the impact of the yen's depreciation, the re-spread of COVID-19 in mainland China led to a two-month Shanghai lockdown (urban blockade) that began on April 1. As a result, we were forced to suspend operations at our factory in Shanghai and temporarily close our sales company, which had a significant impact on our business activities. In addition, the recovery of the Japanese market is progressing slower than expected, and there are ongoing downside risks to earnings, such as logistics disruptions, soaring transportation costs, and raw material price hikes due to the turmoil in international affairs, etc. As stated above, we have revised our full-year earnings forecast downward. We expect consolidated results for the second half (six months) of the current fiscal year to exceed those of the same period last year, and we will step up our efforts to further improve our performance.

The assumed average exchange rates for the revised forecast are approximately 132.00 yen per U.S. dollar (123.15 yen in the first half of the current fiscal year, 112.00 yen in the initial plan) and approximately 19.50 yen per Chinese yuan (18.97 yen and 17.50 yen respectively).

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.