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Company name: Pigeon Corporation  
Representative: Norimasa Kitazawa  
(President and CEO)  
(7956, TSE 1st Section)

Contact: Nobuo Takubo  
(Business Strategy Division Manager)  
Phone: +81-3-3661-4204

**Announcement: Revision of Consolidated Earnings Forecast**  
**for the Fiscal Year Ending December 31, 2020**

We, Pigeon Corporation hereby announces that our consolidated earnings forecast for the fiscal year ending December 31, 2020 will be revised as below.

**1. Revision of Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2020**  
**(January 1, 2020 - December 31, 2020)**

(Millions of yen unless otherwise stated)

|                           | Net Sales           | Operating Income   | Ordinary Income    |
|---------------------------|---------------------|--------------------|--------------------|
| Previous Forecast (A)     | 109,000             | 18,100             | 18,100             |
| Revised Forecast (B)      | 98,500 to 102,400   | 13,400 to 15,500   | 13,900 to 16,000   |
| Change (B - A)            | (10,500) to (6,600) | (4,700) to (2,600) | (4,200) to (2,100) |
| Change ( % )              | (9.6) to (6.1)      | (26.0) to (14.4)   | (23.2) to (11.6)   |
| 【Ref.】 Dec./2019 results* | 100,017             | 17,072             | 17,284             |

|                           | Net Income Attributable to Owners of Parent | EPS (Yen)          |
|---------------------------|---|--------------------|
| Original Forecast (A)     | 12,600                                      | 105.23             |
| Revised Forecast (B)      | 9,600 to 10,900                             | 80.17 to 91.03     |
| Variance (B - A)          | (3,000) to (1,700)                          | (25.05) to (14.20) |
| Variance ( % )            | (23.8) to (13.5)                            | (23.8) to (13.5)   |
| 【Ref.】 Dec./2019 results* | 11,538                                      | 96.37              |

\*In the Fiscal year 2019, the consolidation period shall be the 11-month period from February 1 to December 31, 2019.

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## 2. Reasons for the revision

The future of the global outbreak of the New Coronavirus disease (COVID-19) in Japan and many countries around the world is still unclear at this moment. However, the Company's full-year consolidated earnings forecast for the fiscal year ending December 31, 2020, announced on Thursday, February 13, 2020, did not take into account the fact that the COVID-19 has become such a global epidemic, resulting in months of deterioration in the global economy, stagnation in business activity, and a serious impact on the lives of individuals.

For the first quarter of the fiscal year ending December 31, 2020, the Group's net sales were 22,836 million yen (down 10.3% year on year). The COVID-19 has caused a decline in global economic activity, and our Japan business has begun to experience an impact since February, with the cancellation of consumer events in Japan, shortened store hours or even temporary closures of retail stores, and people started "Stay-at-home". In addition, the number of tourists to Japan fell sharply, leading to a rapid slowdown in "Inbound" demand. In our China business, many small and medium-sized retail stores have been temporarily closed since the second half of January. And the government suspended inter-provincial distribution and prioritized the distribution of medical supplies and daily essentials. As a result, logistics in major cities have become completely different from normal conditions, resulting in delays in the delivery of our products to local distributors and retailers. Other overseas factories and countries/regions where we sold our products have also been affected by the partial suspension of corporate activities and "Stay-at-home" order by the local government.

Since April, we have seen signs of recovery in China which is a key market for Pigeon, but the pandemic of the COVID-19 seems still ongoing in many countries around the world in the first quarter of the current fiscal year and beyond. That's why we revised the earnings forecast as shown in page 1 based on the information available to the Pigeon Group as of today.

The upper range of our revised forecast is based on the assumption that the COVID-19 pandemic in many countries will end in the early second half of 2020, the business and economic activities will resume as normal, and personal consumption immediately begin to recover. The lower range of our revised forecast is based on the assumption that COVID-19 pandemic will continue until late in the second half of 2020 and that stagnate or even shrink business and economic activities, and personal consumption in the countries and regions where we do business.

We are still investigating the impact of the global outbreak of COVID-19 on our business results for the fiscal year ending December 31, 2020. In case we conclude our full-year earnings forecast for this fiscal year has to be revised, we will immediately make an official announcement.

(Note) Actual results may differ from the forecasts due to changes in various factors in the future.

End.