Summary of Consolidated Financial Results
For the Nine Months Ended October 31, 2010
[Japanese Standards] (Consolidated)

December 6, 2010

Company name: Pigeon Corporation (Stock code: 7956)
Listings: First Section, Tokyo Stock Exchange
Website: www.pigeon.co.jp
Representative: Akio Okoshi (President and COO)
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Date of release of Business Report: December 15, 2010
Planned Commencement Date of Dividend Payment: Not yet determined
Supplementary materials for the quarterly financial results: None
Investor conference for the quarterly financial results: None

1. Consolidated Financial Results (February 1 – October 31, 2010)
(1) Performance

(¥ millions, rounded down, % figures denote year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended October 31, 2010	41,621	4.5%	2,699	(24.9)%	2,644	(26.5)%	1,663	(27.1)%
Nine Months Ended October 31, 2009	39,830	－%	3,596	－%	3,597	－%	2,281	－%

	Net Income per Share (¥)	Diluted Net Income Per Share (¥)
Nine Months Ended October 31, 2010	83.10	－
Nine Months Ended October 31, 2009	113.97	－

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets Per Share (¥)
At October 31, 2010	40,701	25,860	62.3	1,266.80
At January 31, 2010	39,493	26,264	65.3	1,288.14

Reference: Equity: ¥25,354 million (At October 31, 2010); ¥25,781 million (At January 31, 2010)

2. Cash Dividends

	Annual Dividends (¥)				
	1Q	2Q	3Q	Year-end	Full-year
Year Ended January 31, 2010	－	32.00	－	32.00	64.00
Year Ending January 31, 2011	－	44.00			
Year Ending January 31, 2011 (Forecast)			－	44.00	88.00

(Note) Changes in dividend forecasts during the quarter under review: None

3. Forecast for the Year Ending January 31, 2011 (February 1, 2010 – January 31, 2011)

(¥ millions, rounded down)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (¥)
Year Ending January 31, 2011 (% figures denote year-on-year change)	57,500	7.6 %	4,500	(2.3)%	4,400	(4.5)%	2,850	0.3%	142.39

(Note) Changes in projections during the quarter under review: Yes

4. Other (For details, please see “Other Information” on page 6 of “Appendix.”)

(1) Changes in important subsidiaries during the period: No
(Note) Whether or not specified subsidiaries were changed resulting in the changes in scope of consolidation during the period.

(2) Application of simplified methods of accounting and specific accounting methods: Yes
(Note) Whether or not the simplified accounting methods or the accounting methods specific for producing quarterly consolidated financial statements was applied.

(3) Changes in accounting principles, processes, presentation methods, etc.
1) Changes due to revisions to accounting standards, etc.: No
2) Changes other than 1): No
(Note) Whether or not accounting principles, processes and presentation methods associated with producing of quarterly consolidated financial statements were changed. These are indicated in changes to important items that form the basis for preparation of quarterly consolidated financial statements.

(4) Number of outstanding shares (ordinary shares)
1) Number of shares outstanding at term-end (including treasury shares)
Nine Months ended October 31, 2010: 20,275,581
Year ended January 31, 2010: 20,275,581
2) Number of treasury shares at term-end
Nine Months ended October 31, 2010: 261,052
Year ended January 31, 2010: 260,934
3) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)
Nine Months ended October 31, 2010: 20,014,586
Nine Months ended October 31, 2009: 20,015,382

*Indication regarding the situation of quarterly review procedures
Financial results for this second quarter is not the subject of a quarterly review procedure based on the Financial Instruments and Exchange Act, and at the point in time when these financial results was disclosed, review procedures for quarterly financial statements based on the Financial Instruments and Exchange Act had not been completed.

*Cautionary Statement Regarding Performance Forecasts
The forecasts and future projections stated in this report have been prepared on the basis of the information and assumption that shall be reasonable as of the date of announcement of this summary information, and the actual results could differ significantly from forecast figures depending on a variety of factors.

For details on the conditions that form the assumptions used for earnings forecasts, and notes on using earnings forecasts, please refer to appendix page 5, “Qualitative Information Regarding Consolidated Performance Forecasts”

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1. Qualitative Information Regarding the Financial Performance for the Current Quarter

(1) Qualitative Information Regarding Consolidated Business Results

Overview of Performance

In the third quarter under review—nine months ended October 31, 2010—the Japanese economy showed signs of recovery, including a bottoming-out of capital expenditures amid improved corporate earnings and a turnaround in personal consumption. However, there remains a risk of economic downturn due to lingering deflation, steep yen appreciation, and share price fluctuation, etc. The Group did not see a full-scale recovery of personal consumption, as the sales of some consumable goods were sluggish.

The current fiscal period, ending January 2011, is the final year of the Group's third medium-term management plan, entitled "Becoming a Global Company: Challenges and Independence." During the year, we will pursue initiatives described below.

Baby and Child Care

Domestic Baby and Child Care Products:

Through swift implementation of effective strategies, we will reinforce existing businesses and nurture new ones. At the same time, we will re-establish and improve our competitive edge and brand loyalty in the markets through a rigorous, ongoing direct communications program. In addition, we will work to enhance profitability by pursuing widespread cost reductions.

Overseas Business:

We will continue prioritizing allocation of managerial resources to our overseas business, which we regard as a key growth driver for the Group. Guided by optimal marketing strategies, we will strive to reinforce and expand brand loyalty in overseas markets while actively broadening our businesses in existing markets. We will place particular emphasis on China, where we will continue building a sales foundation and extending and upgrading our production facilities. In new markets, we will work in India to build our brand and expand our sales system, while in South Korea and Russia we will actively pursue new initiatives.

Child-Rearing Support Services:

Here, we will upgrade our personnel development system while broadening the scope of our services, with the aim of improving the quality of both personnel and services.

Healthcare

In this segment, we will reinforce our sales and marketing capabilities through a Group-based business operating system. With respect to the Recoup brand of anti-aging products that encourage people to remain active in their old age, we will continue upgrading our lineup of offerings and expand our network of Recoup sections in retail stores. In these ways, we will promote branding and actively open up new sales channels.

In the first three quarters under review, the Pigeon Group pursued business operations according to the aforementioned strategies. As a result, consolidated net sales for the period amounted to ¥41,621 million, up 4.5% from the previous corresponding period. With respect to earnings, gross profit improved year-on-year thanks to the increase in sales in the domestic child-rearing good business. However, selling, general, and administrative expenses increased, due largely to the Group's focus on marketing activities. These included tapping new markets in our overseas business and launching new business in our domestic operations. Accordingly, operating income fell 24.9%, to ¥2,699 million, and ordinary income declined 26.5%, to ¥2,644 million. In China, we decided to dissolve two consolidated subsidiaries in the business of providing child-minding services—Pigeon Land (Shanghai) Co., Ltd. and Shanghai Changning Pigeon Land Education Training Center—following a series of inconsistent performances. This reflected our commitment to specializing in product manufacture and sales in China. We also decided to dissolve equity-method affiliate Kuraflex Ibaraki Co., Ltd., which makes non-woven fabric for use in wet tissues, following a review of our raw materials procurement structure. Together, these actions incurred ¥92 million in extraordinary losses. As a result, net income for the period declined 27.1%, to ¥1,663 million.

The performances of each business segment; Baby and Child Care, Healthcare, and Others are summarized below.

Baby and Child Care
Sales in this segment amounted to ¥33,947 million, up 6.3% year-on-year. Operating income edged down 12.4%, to ¥4,630 million. This segment consists of three categories: Domestic Baby and Child Care Products, Overseas Business, and Child-Rearing Support Services.

Domestic Baby and Child Care Products:
To address the diversified needs of customers, we included scented items in our lineup of foam-based baby skincare products, with the addition of Baby Flower Scent Full-Body Foam Soap and Baby Flower Scent Foam Shampoo, and unveiled UV Baby Water Milk, a skincare-type sunscreen that can be applied every day, in Feb. Based on our breastfeeding-related research over more than 50 years, we launched a newly improved baby bottle called Bonyu Jikkan, as well as Straw Bottle Tall, aimed at long-term use from small babies to toddlers and a baby stroller called Pixy-turn in Mar. In Aug., we released Gohan de Gohan, a baby food set for which a rick cooking method was rigorously selected for each month old. In addition, we promoted our direct communications program aimed at strengthening brand loyalty. As part of this program, we held 31 maternity events during the first to third quarters under review, attracting more than 2,000 participants. Meanwhile, we made good progress in attracting new members to “Pigeon Info”—a word-of-mouth community portal that supports women during pregnancy, in childbirth, and when raising children. Membership has thus been rising steadily. With respect to Mamas & Papas, a U.K. designer brand of baby products, in March 2010 we commenced full-scale sales via mail-order catalog and the Internet, and in September 2010 we issued the autumn catalogue.

Overseas Business:
Amid a moderate turnaround in the world economy, the Pigeon Group generated year-on-year sales increases in local-currency terms, centering on the United States. In China, we conducted marketing activities with a focus on further strengthening the appeal of the Pigeon brand. These included holding maternity-related events, stepping up product proliferation activities in hospitals, and running television commercials. However, the sales for the third quarter decreased from the previous corresponding period, as sales activities were carried out while improving and redeveloping distribution systems to cope with the rapid business expansion. With respect to reinforcing our production facilities, consolidated subsidiary Pigeon Industries (Changzhou) Co., Ltd., located in Changzhou, Jiangsu Province, made good progress in Phase I of its plant construction project, and the plant construction was completed in October 2010. During the period, we also expanded our network of Pigeon Breastfeeding Advice Offices to 195 hospitals as a joint project under the Chinese government’s campaign to promote breastfeeding and increase the breastfeeding rate. This was under a joint collaboration between consolidated subsidiary Pigeon (Shanghai) Co., Ltd. and China’s Ministry of Health. In the United States, we reinforced our lineup of breastfeeding-related products and otherwise pursued steady sales activities. Meanwhile, Pigeon India Pvt. Ltd., a consolidated subsidiary established in Mumbai to tap new markets in India, conducted full-scale sales and marketing activities. In April 2010, for example, it launched a line of skincare products.

Child-Rearing Support Services:
In this category, we continued sales initiatives, including business involving in-company child-minding facilities. We were entrusted with the operation of one daycare facilities in February, two in March, one in April, one in July and one in October, 2010.

Healthcare
In this segment, sales declined 1.2% year on year, to ¥4,782 million, while operating income fell 66.3%, to ¥71 million. With respect to the Recoup brand of anti-aging products, which are designed to encourage people to remain active in their twilight years, we continued advancing a broad range of initiatives, such as recruiting actress Yoshiko Kayama to be the brand's image character, holding events, and producing posters and dedicated catalogs. In product development, we launched new products, including Walking Support Shoes (women's shoes specially designed for walking that are also easy to put on and remove), Super Absorption Incontinence Pads and Incontinence Underpants (cloth pads and underpants that provide peace of mind and comfort without having to use paper diapers), and Burden Reducing Supporter—Shoulder (it can be used on a daily basis like underwear). As for the Habinurse brand of nursing-care products, we launched the Mimamori Sensor Series of protective sensors designed to help staff at elderly care institutions quickly respond when patients slip or fall over and also to help staff monitor the movements of patients, and Tight Cloth Pants for Incontinence Pad for Long-time or During Nighttime (cloth pants used with a incontinence pad for a long time or during nighttime). We also improved safety and usability of Full Reclining Carry FC-120 Series (wheelchairs for nursing care). For cultivating new sales channels, we continued sales activities targeting catalogue mail-order selling and TV shopping systems, etc. However, sales decreased from the previous corresponding period, because of the delay of product recognition and product shipping to stores, especially for Recoup products. From now on, we will focus on enhancing brand recognition and cultivating new sales channels, etc.

Others
Sales in this segment declined 5.3%, to ¥2,891 million, and operating income declined 20.9%, to ¥398 million. During the period, we launched Zakutto Cookie, a snack that can be eaten every day for pregnant women who are discerning about food, nutrition, and their weight, Dental Rinse (medicated), liquid toothpaste, which was developed while focusing on the lifestyle and anxieties during the pregnancy period, and Tablet for Mama's Mouth, a tablet for alleviating the stress in the mouth during the pregnancy period. However, sales decreased from the previous corresponding period, mainly because the sales in disinfectant and sterilization products were decreased due to the rebound effect of increased demand in last year caused by new influenza.

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets
As of October 31, 2010, Pigeon had consolidated total assets of ¥40,701 million, up ¥1,207 million from a year earlier. Within this amount, total current assets increased ¥964 million, and total fixed assets rose ¥243 million.

The major factor boosting current assets was a ¥670 million increase in notes and accounts receivable.

The main reasons for the rise in fixed assets were construction of a new plant by consolidated subsidiary Pigeon Industries (Thailand) Co., Ltd., a production base in Thailand, and construction of a plant by consolidated subsidiary Pigeon Industries (Changzhou) Co., Ltd., established in 2009 as a new production base in China.

2) Liabilities
Total liabilities as of October 31, 2010 stood at ¥14,840 million, up ¥1,611 million from the previous fiscal year-end. Current liabilities increased ¥2,561 million, and long-term liabilities decreased by ¥949 million.

Main factors boosting current liabilities were a ¥1,181 million increase in short-term borrowings and a ¥892 million increase in current portion of long-term loans payable.

The main factor decreasing fixed liabilities is a ¥1,000 million decrease in long-term borrowings.

3) Net Assets

At October 31, 2010, consolidated net assets amounted to ¥25,860 million, up ¥403 million from January 31.

(3) Qualitative Information Regarding Consolidated Performance Forecasts

The year ending January 2011 is the final year of the Group’s third medium-term management plan, entitled “Becoming a Global Company: Challenges and Independence.” During the year, we will strive to achieve the objectives of the plan by steadily implementing measures that reflect the core priorities of each business segment.

As for the earnings forecast for the year ending January 2011, the earnings forecast announced on March 5, 2010 has been revised. For details, please refer to the “notification regarding the revision of the earnings forecast” that has been released today.

2. Other Information

(1) Overview of major changes among subsidiaries

Not applicable.

(2) Overview of simplified accounting method or specific method

1) Simplified Accounting Method

- Calculation of estimated bad debt losses on general receivables
  For the end of the quarter under review, the Company has used the estimated bad debt loss ratio that was used for the end of the previous fiscal year, recognizing that no significant changes have arisen since that time.
- Valuation of inventory assets
  The value of inventories at the end of the quarter under review is calculated using a rational method, based on physical inventories at the end of the previous fiscal year, rather than physical inventories at the end of the quarter under review. The Company has reduced the book price of certain inventory assets that were clearly deemed to be declining in profitability, after estimating the net selling value of such assets.
- Method of calculating depreciation of fixed assets
  For fixed assets that are depreciated using the declining-balance method, the depreciation expense is computed by the proportional distribution of the depreciation expense for the fiscal year.
- Determining recoverability of deferred tax assets
  In judging the recoverability of deferred tax assets, the Corporation employs a method using future performance forecasts using results from the previous fiscal year, as well as tax planning, having confirmed that that no significant changes in the operating environment or temporary differences have occurred since the end of the previous fiscal year.

2) Special accounting treatment applied in preparation of quarterly financial statements

Not applicable.

(3) Overview of changes in accounting principles, processes and presentation methods

Not applicable.

3. Quarterly Consolidated Financial Statement

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	At October 31, 2010	At January 31, 2010
ASSETS		
I. Current Assets:		
Cash and time deposit	6,215,257	6,905,541
Notes and accounts receivable	9,428,638	8,757,897
Goods and products	4,971,411	4,358,658
Goods in process	58,208	57,058
Raw material and inventory goods	1,234,373	1,091,958
Other current assets	1,460,128	1,214,030
Allowance for doubtful accounts	(131,110)	(112,497)
Total Current Assets	**23,236,907**	**22,272,647**
II. Fixed Assets:		
1. Tangible Fixed Assets:		
Buildings and structures-net	4,554,637	4,638,994
Land	5,897,038	5,897,038
Other tangible fixed assets-net	4,160,107	3,503,514
Total Tangible Fixed Assets	**14,611,782**	**14,039,547**
2. Intangible Fixed Assets:		
Goodwill	272,851	521,156
Other intangible fixed assets	601,643	709,791
Total Intangible Fixed Assets	**874,494**	**1,230,947**
3. Investments and Other Assets:		
Other	2,058,531	2,031,153
Allowance for doubtful accounts	(80,569)	(80,638)
Total Investments and Other Assets	**1,977,961**	**1,950,515**
Total Fixed Assets	**17,464,239**	**17,221,009**
Total Assets	**40,701,146**	**39,493,657**

(Thousands of yen)

	At October 31, 2010	At January 31, 2010
LIABILITIES		
I. Current Liabilities:		
Notes and accounts payable	4,414,840	4,311,892
Short-term borrowings	2,543,743	1,361,900
Current portion of long-term loans payable	1,000,000	107,920
Income taxes payable	275,790	682,976
Accrued bonuses to employees	924,691	531,445
Returned goods adjustment reserve	60,817	63,109
Other current liabilities	4,035,408	3,634,887
Total Current Liabilities	**13,255,292**	**10,694,132**
II. Long-Term Liabilities:		
Long-term borrowings	-	1,000,000
Employees' retirement benefits	238,710	221,399
Retirement benefits for directors and corporate auditors	317,174	298,386
Other long-term liabilities	1,029,569	1,015,414
Total Long-Term Liabilities	**1,585,454**	**2,535,200**
Total Liabilities	**14,840,746**	**13,229,333**
NET ASSETS		
I. Shareholders' Equity:		
Capital stock	5,199,597	5,199,597
Additional paid-in capital	5,180,246	5,180,246
Retained earnings	17,186,285	17,044,069
Treasury stock	(446,905)	(446,523)
Total Shareholders' Equity	**27,119,224**	**26,977,390**
II. Valuation and Translation Adjustments:		
Net unrealized gains on securities	16,265	7,563
Foreign currency translation adjustment	(1,780,990)	(1,203,267)
Total Valuation and Translation Adjustments	**(1,764,725)**	**(1,195,704)**
III. Minority Interests	**505,900**	**482,638**
Total Net Assets	**25,860,399**	**26,264,324**
Total Liabilities, Minority Interests and Net Assets	**40,701,146**	**39,493,657**

(2) Quarterly Consolidated Statements of Income

(Thousands of yen)

	Nine months ended October 31, 2009	Nine months ended October 31, 2010
I. Net Sales	**39,830,937**	**41,621,822**
II. Cost of Sales	**24,250,240**	**24,631,530**
Gross profit	**15,580,697**	**16,990,291**
Reversal of reserve for returned products	76,218	62,095
Transfer to reserve for returned products	65,224	62,389
Adjusted gross profit	**15,591,691**	**16,989,997**
III. Selling, General and Administrative Expenses	**11,995,587**	**14,290,194**
Operating Income	**3,596,103**	**2,699,802**
IV. Other Income:		
Interest income	22,156	21,481
Rental income	90,604	75,534
Equity in earnings of non consolidated subsidiaries and affiliates	26,231	48,011
Refund of consumption tax	77,261	—
Other	107,364	175,207
Total Other Income	**323,619**	**320,235**
V. Other Expenses:		
Interest expense	44,726	36,158
Sales discounts	155,468	165,792
Rental income-related costs	58,213	45,818
Foreign exchange losses	—	118,973
Other	64,026	8,720
Total Other Expenses	**322,435**	**375,462**
Ordinary Income	**3,597,286**	**2,644,575**
VI. Extraordinary Income:		
Gain on sales of property	4,482	666
Other	286	163
Total Extraordinary Income	**4,768**	**829**
VII. Extraordinary Loss:		
Loss on sales of property	3,109	429
Loss on disposal of property	13,392	7,622
Transfer to allowance for doubtful accounts	68,619	—
Bad debts expenses	304,594	—
Loss on liquidation of subsidiaries and affiliates	—	71,769
Other	6,732	12,522
Total Extraordinary Loss	**396,447**	92,343
Income before Income Taxes	**3,205,607**	2,553,061
Income Taxes	1,070,671	972,795
Adjustment for Corporate Tax	(238,828)	(155,794)
Total Corporate Income Tax	**831,843**	817,000
Less: Minority Interest in Net Income of Consolidated Subsidiaries	92,517	72,799
Net Income	**2,281,246**	1,663,261

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Nine months ended October 31, 2009	Nine months ended October 31, 2010
I. Cash Flows from Operating Activities:		
Income before income taxes	3,205,607	2,553,061
Depreciation	1,084,628	1,210,028
Amortization of goodwill	236,022	236,850
Increase (decrease) in allowance for doubtful accounts	141,399	20,921
Increase (decrease) in accrued bonuses to employees	348,250	393,807
Increase (decrease) in employees' retirement benefits	10,250	17,310
Increase (decrease) in directors' retirement benefits	5,369	18,788
Interest and dividend income	(25,104)	(25,270)
Equity in (gains) losses of non consolidated subsidiaries and affiliates	(26,231)	(48,011)
Interest expense	44,726	36,158
Loss (gain) on sale of fixed assets	(1,372)	(237)
Loss on disposal of fixed assets	13,392	7,622
Loss (gain) on liquidation of subsidiaries and affiliates	—	71,769
Decrease (increase) in trade receivables	857,317	(905,508)
Decrease (increase) in inventories	(843,075)	(884,040)
Increase (decrease) in trade payables	175,954	229,829
Increase (decrease) in account payable	(111,819)	477,020
Increase (decrease) in consumption tax payable	(20,087)	70,728
Decrease (increase) in bankruptcy claims	(69,762)	89
Other	(269,580)	(246,531)
Subtotal	**4,755,884**	3,234,386
Interest and dividends received	58,225	54,449
Interest paid	(45,663)	(41,928)
Income taxes paid	(887,160)	(1,368,534)
Net Cash Provided by Operating Activities	**3,881,286**	1,878,372
II. Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(1,173,396)	(1,821,268)
Proceeds from sales of property, plant and equipment	7,401	13,830
Acquisition of intangible assets	(172,162)	(125,511)
Purchase of investment securities	(6,187)	—
Purchase of insurance funds	(5,647)	(3,730)
Proceeds from cancellation of insurance funds	20,774	—
Loans advanced	(1,716)	(2,016)
Collection of loan receivables	1,709	2,362
Payment for lease deposits	(16,666)	(18,770)
Proceeds from recovery of lease deposits	28,327	25,294
Other	(11,123)	(9,578)
Net Cash Used in Investing Activities	**(1,328,685)**	**(1,939,390)**
III. Cash Flows from Financing Activities:		
Proceeds from short-term debt	5,052,862	5,963,510
Repayment of short-term debt	(5,886,222)	(4,745,130)
Repayment of long-term debt	(111,120)	(105,120)
Payment of cash dividends	(1,271,546)	(1,509,551)
Payment of cash dividends to minority shareholders	(55,474)	(49,894)
Acquisition of treasury stock	(2,213)	(382)
Other	—	(11,621)
Net Cash Used in Financing Activities	(2,273,714)	(458,189)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	45,384	(171,077)
V. Net Change in Cash and Cash Equivalents	324,270	(690,284)
VI. Cash and Cash Equivalents at Beginning of the Period	5,972,743	6,905,541
VII. Cash and Cash Equivalents at End of the Period	6,297,014	6,215,257

(4) Notes Regarding Going Concern Assumptions

Not applicable.

(5) Segment Information

Performance by Business Segment

Nine Months Ended October 31, 2009
(¥ thousands)

	Baby and child care	Healthcare	Others	Total	Eliminations or corporate	Consolidated
Sales						
(1) Sales to outside customers	31,937,511	4,840,520	3,052,905	39,830,937	—	39,830,937
(2) Intersegment sales	—	—	—	—	(—)	—
Total	31,937,511	4,840,520	3,052,905	39,830,937	(—)	39,830,937
Operating income	5,286,216	213,001	503,834	6,003,051	(2,406,948)	3,596,103

Nine Months Ended October 31, 2010 (¥ thousands)

	Baby and child care	Healthcare	Others	Total	Eliminations or corporate	Consolidated
Sales						
(1) Sales to outside customers	33,947,449	4,782,529	2,891,843	41,621,822	-	41,621,822
(2) Intersegment sales	—	—	—	—	(—)	—
Total	33,947,449	4,782,529	2,891,843	41,621,822	(-)	41,621,822
Operating income	4,630,678	71,874	398,327	5,100,881	(2,401,078)	2,699,802

Notes:

1. The Company’s business is segmented for internal control purposes.
2. Main products/services of each segment are shown below.

Segment	Main products/services
Baby and child care	Breastfeeding and weaning products, skincare products, child-rearing support services, other
Healthcare	Nursing-care products, nursing-care support services, other
Others	Women’s care products (supplements, maternity products, etc.), wet tissues, other

Performance by Geographic Region

Nine Months Ended October 31, 2009 (¥ thousands)

	Japan	East Asia	Others	Total	Eliminations or corporate	Consolidated
Sales						
(1) Sales to outside customers	28,215,908	8,137,211	3,477,817	39,830,937	-	39,830,937
(2) Inter-segment sales	1,625,783	1,502,975	-	3,128,758	(3,128,758)	—
Total	29,841,691	9,640,187	3,477,817	42,959,696	(3,128,758)	39,830,937
Operating income	3,929,962	1,893,781	283,338	6,107,081	(2,510,978)	3,596,103

Notes:

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   (1) East Asia: Singapore, Thailand, China
   (2) Other: United States, etc.

Nine Months Ended October 31, 2010 (¥ thousands)

	Japan	Asia	Others	Total	Eliminations or corporate	Consolidated
Sales						
(1) Sales to outside customers	29,670,618	8,328,987	3,622,216	41,621,822	-	41,621,822
(2) Inter-segment sales	1,731,912	1,804,703	-	3,536,616	(3,536,616)	-
Total	31,402,531	10,133,691	3,622,216	45,158,439	(3,536,616)	41,621,822
Operating income	3,605,765	1,263,813	275,932	5,145,511	(2,445,708)	2,699,802

Notes:

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   (1) Asia: Singapore, Thailand, China, India
   (2) Other: United States, etc.
3. Geographical Segment Name Change
   In conjunction with the establishment in November 2009 of consolidated subsidiary Pigeon India Pvt. Ltd., the Group has changed the name of the “East Asia” geographical segment to “Asia.”

Oversea Sales

Nine Months Ended October 31, 2009 (¥ thousand)

	East Asia	North America	Middle East	Other	Total
Overseas sales	8,601,205	2,874,235	976,545	1,083,463	13,535,451
Consolidated net sales	—	—	—	—	39,830,937
Share of overseas sales in consolidated net sales (%)	21.6	7.2	2.5	2.7	34.0

Notes:
1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   (1) East Asia: China, Singapore, South Korea, etc.
   (2) North America: United States, Canada, etc.
   (3) Middle East: United Arab Emirates, etc.
   (4) Other: South Africa, United Kingdom, Panama, etc.
3. Overseas sales refer to sales in countries or regions outside of Japan reported by the Company and its consolidated subsidiaries.

Nine Months Ended October 31, 2010 (¥ thousands)

	Asia	North America	Middle East	Other	Total
Overseas sales	8,757,005	2,881,554	1,123,061	1,152,428	13,914,051
Consolidated net sales	—	—	—	—	41,621,822
Share of overseas sales in consolidated net sales (%)	21.0	6.9	2.7	2.8	33.4

Notes:
1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   (1) Asia: China, Singapore, South Korea, etc.
   (2) North America: United States, Canada, etc.
   (3) Middle East: United Arab Emirates, etc.
   (4) Other: South Africa, Panama, United Kingdom, etc.
3. Overseas sales refer to sales in countries or regions outside of Japan reported by the Company and its consolidated subsidiaries.
4. Geographical Segment Name Change
   In conjunction with the establishment in November 2009 of consolidated subsidiary Pigeon India Pvt. Ltd., the Group has changed the name of the "East Asia" geographical segment to "Asia."

(6) Notes Regarding Substantial Changes in Shareholders' Equity

Not applicable.