Summary of Consolidated Financial Results
For the Three Months Ended April 30, 2011
[Japanese Standards] (Consolidated)

June 6, 2011

Company name: Pigeon Corporation (Stock code: 7956)
Listings: First Section, Tokyo Stock Exchange
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Date of release of Business Report: June 14, 2011
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 – April 30, 2011)
(1) Performance

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
Three Months Ended April 30, 2011	13,045	2.8%	685	3.7%	734	(0.8)%	337	(27.4)%
Three Months Ended April 30, 2010	12,688	4.5%	661	(8.1)%	740	(3.8)%	464	29.7%

	Net Income per Share (¥)	Diluted Net Income Per Share (¥)
Three Months Ended April 30, 2011	16.86	—
Three Months Ended April 30, 2010	23.22	—

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets Per Share (¥)
At April 30, 2011	43,164	26,513	60.3	1,299.60
At January 31, 2011	42,684	27,044	62.2	1,325.71

Reference: Equity: ¥26,010 million (At April 30, 2011); ¥26,533 million (At January 31, 2011)

2. Cash Dividends

	Annual Dividends (¥)				
	1Q	2Q	3Q	Year-end	Full-year
Year Ended January 31, 2011	—	44.00	—	44.00	88.00
Year Ending January 31, 2012	—				
Year Ending January 31, 2012 (Forecast)		44.00	—	44.00	88.00

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

3. Forecast for the Year Ending January 31, 2012
(February 1, 2011 – January 31, 2012)

(¥ millions, rounded down)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (¥)
Six Months Ending July 31, 2011 (% indicates changes from the corresponding previous term)	28,300	3.9%	1,800	4.9%	1,800	2.5%	1,100	0.1%	54.96
Year Ending January 31, 2012 (% figures denote year-on-year change)	61,100	7.1 %	5,000	10.0%	4,950	11.6%	3,300	12.7%	164.88

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

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.: Yes
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)
Three Months ended April 30, 2011: 20,275,581
Year ended January 31, 2011: 20,275,581
2) Number of treasury shares at term-end
Three Months ended April 30, 2011:261,438
Year ended January 31, 2011: 261,343
3) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)
Three Months ended April 30, 2011: 20,014,211
Three Months ended April 30, 2010: 20,014,645

*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 matters pertaining to performance forecasts, please refer to page 5, “(3) 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 first quarter under review—three months ended April 30, 2011—the Japanese economy showed a tendency towards recovery due to the improvement of corporate profits and the overseas economy. However, the Great East Japan Earthquake on March 11 caused prospects to become unpredictable. Due to power outages, water cutoff, and facility damage caused by this earthquake, the Group temporarily suspended or scaled down operations at two distribution sites in Ibaraki and the production site of its consolidated subsidiary PHP Ibaraki. Since the damage was comparatively small and limited, the ordinary operation system recovered by late March.

Under these circumstances, the Group made a new start in the initial year of the fourth medium-term business plan "Achieving global business success through company and individual competence," starting January 2012 and ending January 2014. The business policies in the medium-term business plan are as follows:

1) Focus on positive business development in overseas markets, aiming to further grow and expand as a global company.
2) In our domestic and international operations, we will seek to further strengthen and improve the profitability of current existing businesses as well as work to achieve solid growth in new and developing businesses.
3) Build a global business management system based on the core components of "Fostering Human Resources" and "Creating new value based on fundamental research."

The segments below have been set for this consolidated fiscal year that is the first year of the fourth medium-term business plan. In the first quarter of consolidated accounting, starting February 1, 2011 and ending April 30, 2011, the Group implemented activities steadily in accordance with the segments.

Domestic Baby and Mother Care Business

By establishing and extending the large merchandise business and promoting the category of women's care, the Group will improve profitability in the current fields. Furthermore, the Group will establish and extend the Mamas & Papas business to launch new business in the IT field.

Child-rearing Support Services

The Group will continue steady business development by enriching the personnel development system, extending services, and further improving child-rearing quality.

Health Care and Nursing Care Business

The Group will restructure the business operation system and take efficient measures to improve brand awareness and promote the understanding of merchandise. By cultivating priority merchandise categories, the Group will improve merchandise competitiveness and aggressively find new sales channels.

Overseas Business

The Group will target aggressive investment in proactive business as a growth driver of the Group to extend the production system and strengthen the business operation system. In China, tie-ups with the current agencies will be strengthened and new agencies will be fostered. Accompanying the launch of the new Changzhou Factory, the Group will strengthen the development system and in-house production system. In North America and Europe, the Group will extend the merchandise category centered on the mOmma brand and develop new markets.

As a result, consolidated net sales for the period amounted to ¥13,045 million, up 2.8% from the previous corresponding period. With respect to earnings, the cost of the sales ratio grew higher than in the same quarter of the previous year partially because the Great East Japan Earthquake lowered the operating ratio of some domestic production sites. Because of an increase in gross profit accompanying an income increase, however, operating income was 685 million yen, up 3.7% from the same quarter of the previous year. Due to a decline of other income, however, ordinary income was 734 million yen, down 0.8% from the same quarter of the previous year. Net income for the period was 337 million yen, down 27.4% from the same quarter of the previous year as 95 million yen was accounted as extraordinary loss mainly for repairing facilities and discarding merchandise damaged by the Great East Japan Earthquake.

The business report segments are "Domestic Baby and Mother Care Business," "Child-rearing Support Services," "Health Care and Nursing Care Business," and "Overseas Business." Each segment is outlined below. In accordance with "Accounting Standards Regarding the Disclosure of Segment Information etc.," the segments have been changed from "Baby and Child Care segment", "Healthcare segment", and "Other segment") to the above, starting from this consolidated fiscal year. In the outline for each segment, descriptions on comparisons with the same quarter of the previous year provide figures calculated by replacing performance in the same quarter of the previous year.

Domestic Baby and Mother Care Business

Sales in this segment amounted to 5,677 million yen, up 4.1% from the same quarter of the previous year. Since aggressive marketing activities for the sale of new merchandise and the development of new business increased selling, general and administrative expenses, operating income was 728 million yen, down 3.1% from the same quarter of the previous year.

In this segment, the Group marketed "MOGUTTOYASAI" as single-meal retort-pouched baby foods all enriched with vegetables, "Body Massage Cream" and "Body HIKISHIME Gel" containing hyaluronic acid for skin care during pregnancy and after birth, easy-to-prepare "Range de MUSHI-PAN" baby snacks by mixing milk or water, "MAGUMAGU Baby", "MAGUMAGU Spout", "SODACHI OUEN Sandal YOCHIYOCHI-ANYO/TOKOTOKO-ANYO" baby sandals for selection according to the growth of your baby in February, and the "MUSHI-KURURIN OHEYANIOKU Type" insect repellent using natural ingredients in March.

Regarding the maternity events we are committed to as part of our direct communications program aimed at strengthening brand loyalty," we had to withhold this first quarter of consolidated accounting due to the influence of the Great East Japan Earthquake. However, 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. In the Internet and home shopping business, order reception and shipping were suspended temporarily under the influence of the Great East Japan Earthquake but returned to the ordinary sales system from April.

Child-rearing Support Services

Sales in this segment amounted to 1,467 million yen, up 8.0% from the same quarter of the previous year. Segment income was 23 million yen, down 22.4% from the same quarter of the previous year. Some facilities were temporarily closed under the influence of the Great East Japan Earthquake. In April, however, one authorized nursery school and three nursery facilities within business establishments were launched under a new contract of entrustment, and while improving the service quality, the Group is raising sales steadily.

Health Care and Nursing Care Business

Sales in this segment amounted to 1,675 million yen, up 1.4% from the same quarter of the previous year. Segment income was 112 million yen, a loss of 7 million yen from the same quarter of the previous year, as selling, general and administrative expenses were suppressed by effective and efficient marketing measures suited to the characteristics of the merchandise and sales channels. As for the Habinurse brand of elder care products, the Group newly marketed the "HAGUKI NI YASASHII Brush" and "FUSSOIRI HAMIGAKI Gel" oral care series for the elderly and "YAWARARKAI KAIJO Spoon" nursing-care tableware designed for care providers and care receivers in February. Regarding the brand "Recoup" for elderly people seeking good health, the Group marketed an environmentally-friendly, easy-to-use "NUNO Type KYUSYU Pad" for attachment on regular underwear in the same month. In the future, the Group will extend business by marketing merchandise through intensive research on priority categories and implementing efficient measures.

Overseas Business

Sales in this segment amounted to 3,997 million yen, up 0.9% from the same quarter of the previous year. Since selling, general and administrative expenses increased due to various measures associated with aggressive business development, segment income was 569 million yen, down 13.8% from the same quarter of the previous year.

In China, the distribution system has been improved and restructured to a stable level. The sale of new merchandise is also progressing steadily. On the basis of local currency, net sales are over the same quarter of the previous year.

To strengthen the merchandise supply system, Pigeon Industries (Changzhou) Co., Ltd., located in Changzhou, Jiangsu Province started operations in January of this year. As the second production site in China, this consolidated subsidiary is working steadily. To further extend business in China, the China Business Div. was set up on March 16 this year. Through the headquarters, the Group will promote business quickly and aggressively. In India, a distribution system is being constructed, the sales network is being extended, and Pigeon Corner is being set up as dedicated sales floors, thanks to the aggressive activities of the consolidated subsidiary PIGEON INDIA PVT. LTD. In Malaysia, where the consolidated subsidiary PIGEON SINGAPORE PTE.LTD. acquired the shares of a local sales agency in January (company renamed to PIGEON MALAYSIA (TRADING) SDN.BHD. after stock acquisition), the Group started activities under a new system to extend business while remaining committed to branding activities. In North America and Europe, the consolidated subsidiary LANSINOH LABORATORIES,INC. is carrying out sales activities steadily. Including the mOmma business that was acquired by the subsidiary last December, the Group will further promote business aggressively.

Others

Sales in this segment amounted to 228 million yen, down 12.8% from the same quarter of the previous year, due to a decline of OEM merchandise orders. Segment income was 22 million yen, also down 31.9% from the same quarter of the previous year.

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets

As of April 30, 2011, Pigeon had consolidated total assets of ¥43,164 million, up ¥479 million from a year earlier. Within this amount, total current assets increased ¥204 million, and total fixed assets rose ¥274 million.

The major factor boosting current assets was a ¥378 million decrease in notes and accounts receivable while there was a ¥682 million increase in goods and products.

The main reason for the rise in fixed assets was a ¥147 million increase in tangible fixed assets.

2) Liabilities

Total liabilities as of April 30, 2011 stood at ¥16,650 million, up ¥1,009 million from the previous fiscal year-end. Current liabilities increased ¥885 million, and long-term liabilities increased by ¥124 million.

Main factors boosting current liabilities were a ¥540 million increase in notes and accounts payable and a ¥376 million increase in accrued bonuses to employees.

3) Net Assets
At April 30, 2011, consolidated net assets amounted to ¥26,513 million, down ¥530 million from January 31.

(3) Qualitative Information Regarding Consolidated Performance Forecasts
In the fourth medium-term business plan "Achieving global business success through company and individual competence," the Group aims to improve profitability in the current business fields and increase new merchandise fields and sales channels by enriching the merchandising categories for Domestic Baby and Mother Care Business in Japan, extending new business in IT home shopping, deeply cultivating priority merchandise categories in the Health Care and Nursing Care Business, and finding new sales channels. Regarding Overseas Business, the Group aims to deeply cultivate current markets and implement business expansion in China and North America by enriching merchandise categories while extending the production system and strengthening the business operation system by aggressive business investment. In India, the Middle and Near East, Korea, and South and Central America, the Group aims to promote aggressive market development. Regarding this consolidated fiscal year as the first year of the fourth medium-term business plan, the basic policies below are set. With an eye on the influence the Great East Japan Earthquake on the domestic economy and the performance of the Group, we will do our utmost to achieve the plan securely.

Basic Policies
1. To realize the objectives of our fourth medium-term business plan, we will put together strategies for each business and functional strategies that serve as the basis for such businesses into a specific enforcement plan, which we will steadily implement.
2. By effectively utilizing production facilities and capacity within the Group, we will improve our cost of sales situation and enhance profitability.
3. Seeking "Achieving global business success through company and individual competence," we will focus on nurturing human resources, while formulating medium-term strategies of each business and building organizational frameworks according to our growth potential.

The prospects of the Group throughout the term remain unchanged from the performance predictions announced on March 7, 2011.

2. Other Information

(1) Changes in important subsidiaries during the period (changes in specific subsidiaries affecting the scope of consolidation)

Not applicable.

(2) Overview of simplified accounting method or accounting methods specific to the preparation of quarterly financial statements

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) Changes in accounting principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements

1) Changes of matters pertaining to the scope of consolidation

- Change in scope of consolidation
  From the first quarter of this consolidated accounting period, PIGEON MALAYSIA (TRADING) SDN.BHD., is included in the scope of consolidation by stock acquisition.
- Number of consolidated subsidiaries after change: 17

2) Changes of matters pertaining to accounting standards

- Application of "Accounting Standards Regarding the Equity Method" and "Temporary Treatment Regarding the Accounting of Affiliates Subject to the Equity Method"
  From the first quarter of this consolidated fiscal year, "Accounting Standards Regarding the Equity Method" (ASBJ No. 16, March 10, 2008) and "Temporary Treatment Regarding the Accounting of Affiliates Subject to the Equity Method" (Practical Solutions Report No. 24, March 10, 2008) have been applied.
  This affected ordinary income or income before income taxes and minority interests in this first quarter of consolidated fiscal year only slightly.
- Application of "Accounting Standards Regarding Asset Retirement Obligations"
  From the first quarter of this consolidated fiscal year, "Accounting Standards Regarding Asset Retirement Obligations" (ASBJ No. 18, March 31, 2008), and "Application Guidelines for Accounting Standards Regarding Asset Retirement Obligations" (ASBJ Guideline No. 21, March

31, 2008) have been applied.

This affected ordinary income or income before income taxes and minority interests in the first quarter of this consolidated fiscal year only slightly.

- Application of ""Accounting Standards for Business Combinations"

From the first quarter of this consolidated fiscal year, "Accounting Standards for Business Combinations" (ASBJ No. 21, December 26, 2008), "Accounting Standards for Consolidated Financial Statements"(ASBJ No. 22, December 26, 2008), "Partial Revision of Accounting Standards Regarding Research and Development Costs" (ASBJ No. 23, December 26, 2008), "Accounting Standards for Business Divestitures" (ASBJ No. 7, December 26, 2008), "Accounting Standards Regarding the Equity Method" (ASBJ No. 16 announced on March 10, 2008), and "Application Guidelines for Accounting Standards Regarding Business Combinations and Accounting Standards Regarding Business Divestitures" (ASBJ Guideline No. 10, December 26, 2008) have been applied.

3) Changes in Description Method

(Quarterly consolidated financial statements)

In the first quarter of this consolidated fiscal year, this has been presented by the account of "Income before minority interest" because of the "Cabinet Order for Partial Revision of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Cabinet Order No. 5, March 24, 2009) based on the "Accounting Standards for Consolidated Financial Statements" (ASBJ No. 22 dated December 26, 2008)."

3. Quarterly Consolidated Financial Statement
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	At April 30, 2011	At January 31, 2011
ASSETS		
I. Current Assets:		
Cash and time deposit	6,550,089	6,827,706
Notes and accounts receivable	9,495,554	9,874,273
Goods and products	5,232,560	4,549,808
Goods in process	65,401	54,401
Raw material and inventory goods	1,472,324	1,194,021
Other current assets	1,657,094	1,776,585
Allowance for doubtful accounts	(105,784)	(113,948)
Total Current Assets	**24,367,240**	**24,162,848**
II. Fixed Assets:		
1. Tangible Fixed Assets:		
Buildings and structures-net	5,389,054	5,350,520
Land	6,039,281	6,012,825
Other tangible fixed assets-net	4,128,524	4,045,967
Total Tangible Fixed Assets	**15,556,859**	**15,409,313**
2. Intangible Fixed Assets:		
Goodwill	656,913	599,728
Other intangible fixed assets	587,109	588,350
Total Intangible Fixed Assets	**1,244,023**	**1,188,079**
3. Investments and Other Assets:		
Other	2,083,913	2,001,729
Allowance for doubtful accounts	(87,943)	(77,222)
Total Investments and Other Assets	**1,995,969**	**1,924,506**
Total Fixed Assets	**18,796,853**	**18,521,899**
Total Assets	**43,164,093**	**42,684,748**

(Thousands of yen)

	At April 30, 2011	At January 31, 2011
LIABILITIES		
I. Current Liabilities:		
Notes and accounts payable	4,525,170	3,984,705
Short-term borrowings	2,177,387	2,258,000
Current portion of long-term loans payable	1,025,674	1,000,000
Income taxes payable	365,885	561,952
Accrued bonuses to employees	914,316	537,505
Returned goods adjustment reserve	50,731	46,084
Other current liabilities	4,053,301	3,838,892
Total Current Liabilities	**13,112,467**	**12,227,140**
II. Long-Term Liabilities:		
Long-term borrowings	1,688,734	1,615,000
Employees' retirement benefits	249,701	243,710
Retirement benefits for directors and corporate auditors	333,103	322,447
Other long-term liabilities	1,266,307	1,232,411
Total Long-Term Liabilities	**3,537,845**	**3,413,570**
Total Liabilities	**16,650,313**	**15,640,710**
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	17,908,233	18,451,368
Treasury stock	(447,924)	(447,673)
Total Shareholders' Equity	**27,840,153**	**28,383,538**
II. Valuation and Translation Adjustments:		
Net unrealized gains on securities	11,090	11,237
Foreign currency translation adjustment	(1,840,671)	(1,861,586)
Total Valuation and Translation Adjustments	**(1,829,581)**	**(1,850,348)**
III. Minority Interests	**503,208**	**510,847**
Total Net Assets	**26,513,780**	**27,044,037**
Total Liabilities, Minority Interests and Net Assets	**43,164,093**	**42,684,748**

(2) Quarterly Consolidated Statements of Income

(Thousands of yen)

	Three months ended April 30, 2010	Three months ended April 30, 2011
I. Net Sales	**12,688,426**	**13,045,383**
II. Cost of Sales	**7,503,241**	**7,776,655**
Gross profit	**5,185,184**	**5,268,727**
Reversal of reserve for returned products	62,561	46,146
Transfer to reserve for returned products	63,450	50,635
Adjusted gross profit	**5,184,295**	**5,264,239**
III. Selling, General and Administrative Expenses	**4,523,206**	**4,578,788**
Operating Income	**661,089**	**685,450**
IV. Other Income:		
Interest income	6,776	7,948
Refund of consumption tax	49,970	34,212
Rental income	29,761	8,210
Equity in earnings of non consolidated subsidiaries and affiliates	19,712	12,710
Currency exchange gain	11,002	34,646
Other	46,113	35,240
Total Other Income	**163,337**	**132,968**
V. Other Expenses:		
Interest expense	11,980	20,723
Sales discounts	51,581	53,885
Rental income-related costs	18,118	6,525
Other	2,471	3,074
Total Other Expenses	**84,151**	**84,208**
Ordinary Income	**740,275**	**734,210**
VI. Extraordinary Income:		
Gain on sales of property	4	1,885
Reversal of allowance for doubtful accounts	―	8,561
Other	817	―
Total Extraordinary Income	**822**	**10,447**
VII. Extraordinary Loss:		
Loss on sales of property	402	20
Loss on disposal of property	1,215	6,062
Loss on disaster	―	85,055
Other	―	4,692
Total Extraordinary Loss	**1,617**	95,830
Income before Income Taxes	**739,480**	648,827
Income Taxes	361,369	358,826
Adjustment for Corporate Tax	(106,914)	(71,196)
Total Corporate Income Tax	**254,455**	287,629
Income before minority interests	―	361,197
Less: Minority Interest in Net Income of Consolidated Subsidiaries	20,125	23,705
Net Income	**464,899**	337,492

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Three months ended April 30, 2010	Three months ended April 30, 2011
I. Cash Flows from Operating Activities:		
Income before income taxes	739,480	648,827
Depreciation	377,921	368,479
Amortization of goodwill	79,069	94,158
Increase (decrease) in allowance for doubtful accounts	2,509	(1,785)
Increase (decrease) in accrued bonuses to employees	345,458	375,472
Increase (decrease) in employees' retirement benefits	2,192	5,640
Increase (decrease) in directors' retirement benefits	7,038	10,655
Interest and dividend income	(6,901)	(8,104)
Equity in (gains) losses of non consolidated subsidiaries and affiliates	(19,712)	(12,710)
Interest expense	11,980	20,723
Loss (gain) on sale of fixed assets	397	(1,865)
Loss on disposal of fixed assets	1,215	6,062
Decrease (increase) in trade receivables	341,997	664,817
Decrease (increase) in inventories	(1,158,449)	(700,572)
Increase (decrease) in trade payables	516,681	379,234
Increase (decrease) in account payable	228,451	54,825
Increase (decrease) in consumption tax payable	(54,597)	(69,531)
Decrease (increase) in bankruptcy claims	541	(106)
Other	(346,172)	(186,837)
Subtotal	**1,069,100**	1,647,383
Interest and dividends received	6,948	6,895
Interest paid	(16,676)	(17,633)
Income taxes paid	(606,156)	(549,258)
Net Cash Provided by Operating Activities	**453,214**	1,087,386
II. Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(335,330)	(398,300)
Proceeds from sales of property, plant and equipment	186	5,379
Acquisition of intangible assets	(35,333)	(37,798)
Purchase of insurance funds	(1,142)	(1,142)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	5,374
Loans advanced	(495)	(662)
Collection of loan receivables	723	456
Payment for lease deposits	(7,670)	(16,666)
Proceeds from recovery of lease deposits	2,649	3,762
Other	(3,063)	(12,894)
Net Cash Used in Investing Activities	**(379,475)**	**(452,491)**
III. Cash Flows from Financing Activities:		
Proceeds from short-term debt	1,305,440	2,068,105
Repayment of short-term debt	(1,000,000)	(2,259,500)
Proceeds from long-term loans payable	—	75,320
Repayment of long-term debt	(106,240)	(2,092)
Payment of cash dividends	(612,225)	(817,963)
Payment of cash dividends to minority shareholders	(44,733)	(39,212)
Acquisition of treasury stock	(37)	(251)
Other	(1,931)	(4,891)
Net Cash Used in Financing Activities	(459,728)	(980,485)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	68,702	67,973
V. Net Change in Cash and Cash Equivalents	(317,286)	(277,616)
VI. Cash and Cash Equivalents at Beginning of the Period	6,905,541	6,827,706
VII. Cash and Cash Equivalents at End of the Period	6,588,255	6,550,089

(4) Notes Regarding Going Concern Assumptions

Not applicable.

(5) Segment Information

Performance by Business Segment

Three Months Ended April 30, 2010 (¥ thousands)

	Baby and child care	Healthcare	Others	Total	Eliminations or corporate	Consolidated
Sales						
(1) Sales to outside customers	10,108,911	1,647,177	932,336	12,688,426	—	12,688,426
(2) Intersegment sales	—	—	—	—	(—)	—
Total	10,108,911	1,647,177	932,336	12,688,426	(—)	12,688,426
Operating income	1,307,323	13,068	140,415	1,460,808	(799,718)	661,089

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	Elder care products, elder care services, other
Others	Women's care products (supplements, maternity products, etc.), wet tissues, other

Performance by Geographic Region

Three Months Ended April 30, 2010 (¥ thousands)

	Japan	Asia	Others	Total	Eliminations or corporate	Consolidated
Sales						
(1) Sales to outside customers	9,319,596	2,140,920	1,227,909	12,688,426	—	12,688,426
(2) Inter-segment sales	464,455	592,393	—	1,056,848	(1,056,848)	—
Total	9,784,051	2,733,313	1,227,909	13,745,274	(1,056,848)	12,688,426
Operating income	1,045,044	407,163	94,306	1,546,514	(885,424)	661,089

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

Three Months Ended April 30, 2010 (¥ thousand)

	Asia	North America	Middle East	Other	Total
Overseas sales	2,323,114	1,008,992	277,610	337,284	3,947,002
Consolidated net sales	—	—	—	—	12,688,426
Share of overseas sales in consolidated net sales (%)	18.3	7.9	2.2	2.7	31.1

Notes:

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   (1) Asia: China, South Korea, Singapore, India, etc.
   (2) North America: United States, Canada, etc.
   (3) Middle East: United Arab Emirates, etc.
   (4) Other: Panama, Germany, 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. Overseas sales 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.”

Segment Information

1. Outline of Report Segments

The report segments are units of organization of the Group for which financial information is separately available and reviewed periodically by the Board of Directors to determine the distribution of managerial resources and to evaluate performance.

The Group mainly sells baby-care products separately in and outside Japan and is engaged in sales and service related to health & elder care, service related to the support of nursing, and product and other services by business activities through localized business div.

Therefore, the Group consists of segments by products and services based on business div. and by area. The report segments are four: "Domestic Baby and Mother Care Business," "Child-rearing Support Services," "Health Care and Nursing Care Business," and "Overseas Business."

The report segments of the Group are as follows:

1) Domestic Baby and Mother Care Business

In Japan, we mainly manufacture and sell baby-care products and products for women's use.

(Main products) Breastfeeding and weaning products, skincare products, wet tissues, baby foods, baby products for outside use, women's care products (supplements, maternity products), and others.

2) Child-rearing Support Services

In Japan, we provide child-rearing support services.

(Main services) Management of own or entrusted nursery facilities, management of nursery schools, provision of baby-sitting services, and others.

3) Health Care and Nursing Care Business

In Japan, we manufacture and sell healthcare products and elder care products and provide care services.

(Main products) Products for urination, skincare products, wet tissues, wheelchairs, products for care facilities, elder care services, and others.

4) Overseas Business

In the world, we mainly manufacture and sell baby-care products and products for women's use.

2. Information Regarding Net Sales and Profit & Loss in Each Report Segment

Three Months Ended April 30, 2011 (¥ thousand)

	Report Segment				Other (Note) 1	Total	Adjustments (Note) 2	Amount Accounted on Quarterly Consolidated Statements of Income (Note)3
	Domestic Baby and Mother Care Business	Child-rearing Support Services	Health Care and Nursing Care Business	Overseas Business				
Sales								
Sales to outside customers	5,677,054	1,467,356	1,675,868	3,997,058	228,045	13,045,383	—	13,045,383
Total	5,677,054	1,467,356	1,675,868	3,997,058	228,045	13,045,383	—	13,045,383
Segment income	728,640	23,188	112,811	569,977	22,462	1,457,080	(771,630)	685,450

Notes:

1. "Other" means a segment not in the report segments and mainly includes manufacture and sale by our production subsidiaries outside the Group.
2. Operating income adjustments are all selling costs that cannot be allocated. Main adjustments are costs in the management division and the research and development division of the Group
3. Operating income is adjusted with that in Quarterly Consolidated Statements of Income.

(Additional Information)

From the first quarter of this consolidated fiscal year, "Accounting Standards Regarding the Disclosure of Segment Information etc." (ASBJ No. 17, March 27, 2009), and "Application Guidelines for Accounting Standards Regarding the Disclosure of Segment Information, etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied.

(6) Notes Regarding Substantial Changes in Shareholders' Equity

Not applicable.