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Document title: Extraordinary Report

Submitted to: Director-General of the Kanto Local Finance Bureau

Date of submission: April 26, 2019

Company name: ヒロジョン株式会社 (*Pigeon Kabushiki Kaisha*)

Company name in English: Pigeon Corporation

Title and name of representative: Norimasa Kitazawa, President and COO

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Telephone number: +81-3-3661-4369

Name of contact person: Tsutomu Matsunaga, Managing Officer and Division Manager of Business Strategy Div.

Place for public inspection: Tokyo Stock Exchange, Inc.
(2-1, Nihonbashi-Kabuto-cho, Chuo-ku, Tokyo)

1. Reason for submission

At the 62nd Ordinary General Meeting of Shareholders of Pigeon Corporation held on April 25, 2019, resolutions of the matters to be resolved were made, therefore, this Extraordinary Report is submitted pursuant to the provisions of Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.

2. Body of report

(1) Date of the General Meeting of Shareholders
April 25, 2019

(2) Details of the matters for resolution

Proposal 1: Appropriation of Surplus
Year-end dividends

1. Type of dividend property: Cash
2. Dividend property allotment and total amount thereof
Dividend per common share of the Company: ¥34
Total amount of dividends: ¥4,071,866,588
3. Effective date of distribution of dividends from surplus: April 26, 2019

Proposal 2: Partial Amendments to Articles of Incorporation

A portion of the Company’s Articles of Incorporation are amended as below.

(Amendments underlined)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 12. (Convocation) An Ordinary General Meeting of Shareholders of the Company shall be convened in <u>April</u> of each year, and an Extraordinary General Meeting of Shareholders shall be convened from time to time, whenever necessary.</p> <p>Article 13. (Record Date for Ordinary General Meeting of Shareholders) The record date for voting rights for Ordinary General Meeting of Shareholders of the Company shall be <u>January 31</u> of each year.</p>	<p style="text-align: center;">CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 12. (Convocation) An Ordinary General Meeting of Shareholders of the Company shall be convened in <u>March</u> of each year, and an Extraordinary General Meeting of Shareholders shall be convened from time to time, whenever necessary.</p> <p>Article 13. (Record Date for Ordinary General Meeting of Shareholders) The record date for voting rights for Ordinary General Meeting of Shareholders of the Company shall be <u>December 31</u> of each year.</p>
<p style="text-align: center;">CHAPTER 5. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</p> <p>Article 30. (Term of Office of Audit & Supervisory Board Members) 1. and 2. (Omitted)</p> <p>3. A resolution for the election of any substitute Audit & Supervisory Board Member, elected pursuant to <u>Paragraph 2</u>, Article 329 of the Companies Act, shall be effective until the commencement of the Ordinary General Meeting of Shareholders to be held for the last fiscal year ending within four (4) years after the election of the substitute Audit & Supervisor Board Member.</p> <p>4. (Omitted)</p>	<p style="text-align: center;">CHAPTER 5. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</p> <p>Article 30. (Term of Office of Audit & Supervisory Board Members) 1. and 2. (No change)</p> <p>3. A resolution for the election of any substitute Audit & Supervisory Board Member, elected pursuant to <u>Paragraph 3</u>, Article 329 of the Companies Act, shall be effective until the commencement of the Ordinary General Meeting of Shareholders to be held for the last fiscal year ending within four (4) years after the election of the substitute Audit & Supervisor Board Member.</p> <p>4. (No change)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER 6. ACCOUNTS</p> <p>Article 36. (Fiscal Year) The fiscal year of the Company shall be the one (1) year period from <u>February 1</u> of each year to <u>January 31 of the following year</u>.</p> <p>Article 37. (Record Date for Distribution of Dividends from Surplus) The record date for the distribution of year-end dividends of the Company shall be <u>January 31</u> of each year.</p> <p>Article 38. (Interim Dividends) The Company may distribute interim dividends with a record date of <u>July 31</u> of each year, by a resolution of the Board of Directors.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p style="text-align: center;">CHAPTER 6. ACCOUNTS</p> <p>Article 36. (Fiscal Year) The fiscal year of the Company shall be the one (1) year period from <u>January 1 to December 31</u> of each year.</p> <p>Article 37. (Record Date for Distribution of Dividends from Surplus) The record date for the distribution of year-end dividends of the Company shall be <u>December 31</u> of each year.</p> <p>Article 38. (Interim Dividends) The Company may distribute interim dividends with a record date of <u>June 30</u> of each year, by a resolution of the Board of Directors.</p> <p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>Article 1.</u> <u>Notwithstanding the provision of Article 36. (Fiscal Year), the 63rd fiscal year shall be for 11 months from February 1, 2019 to December 31, 2019.</u></p> <p><u>Article 2.</u> <u>Notwithstanding the provision of Article 38. (Interim Dividends), in the event that the Company distributes interim dividends in the 63rd fiscal year, the record date shall be July 31, 2019.</u></p> <p><u>Article 3.</u> <u>The preceding two articles, as well as this article shall be deleted from the Articles of Incorporation at the conclusion of the 63rd fiscal year.</u></p>

Proposal 3: Election of Four (4) Audit & Supervisory Board Members

To elect the following four (4) persons, namely Mr. Kazuhisa Amari, Mr. Nobuyuki Hashimoto, Mr. Koichi Otsu, and Ms. Atsuko Taishido as Audit & Supervisory Board Members.

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

To elect Ms. Sachiko Omuro as substitute Audit & Supervisory Board Member.

Proposal 5: Payment of Retirement Benefits to Retiring Director

To pay retirement benefits to Mr. Akio Okoshi, who retired as Director as of the conclusion of the Meeting, in the amount of ¥170,428 thousand (including a special service bonus), in accordance with the Company's "Rules on Retirement Benefits for Directors." The timing, method and other details of the payment will be delegated to the Board of Directors.

Proposal 6: Final Payment Associated with Abolishment of the Retirement Benefits System for Directors

To make the final payment associated with the abolishment of the retirement benefits system for Directors to the six Messrs. Yoichi Nakata, Shigeru Yamashita, Norimasa Kitazawa, Eiji Akamatsu, Tadashi Itakura, and Yasunori Kurachi, in order to reward them for their service during their terms of office until the conclusion of the Meeting, in

accordance with the Company's "Rules on Retirement Benefits for Directors." The payment amounts are ¥343,451 thousand (including a special service bonus) to Mr. Yoichi Nakata, ¥126,598 thousand (including a special service bonus) to Mr. Shigeru Yamashita, ¥38,103 thousand to Mr. Norimasa Kitazawa, ¥43,494 thousand to Mr. Eiji Akamatsu, ¥20,845 thousand to Mr. Tadashi Itakura, and ¥27,276 thousand to Mr. Yasunori Kurachi. The payment date will be at the retirement of each Director, while the method of payment and other matters shall be delegated to the Board of Directors.

Proposal 7: Revision of the Remuneration Amount for Directors

To revise the remuneration amount for Directors to "a maximum of ¥800 million per year (including a maximum of ¥100 million for Outside Directors)," and the remuneration amount for Directors shall not include the employee salary portion for those Directors who serve concurrently as employees, in a conventional manner.

Proposal 8: Determination of the Amount and Details of the Performance-linked Stock Remuneration System, etc. for Directors

As remuneration for Directors (excluding Outside Directors), to introduce a new performance-linked stock remuneration system which will deliver shares of the Company according to position, the achievement level of performance targets, and other factors, by contributing up to a maximum of ¥600 million for a target period of three (3) fiscal years to a trust, with the maximum number of points provided through the trust in a single fiscal year of 41,000 points (equivalent to 41,000 shares).

The initial target period starting from the current fiscal year will be the single fiscal year ending December 31, 2019, which is the remaining period of the current Medium-Term Business Plan, and the Company will contribute an amount of money in this period up to a maximum of ¥200 million.

- (3) Number of voting rights exercised as the manifestation of the intention of approval, disapproval or abstention for the matters for resolution; requirement for adoption thereof; and resolution results thereof

Matters for resolution	Number of Approval Votes	Number of Disapproval Votes	Number of Abstentions	Requirement for Adoption	Resolution Result and Approval Ratio
Proposal 1 Appropriation of Surplus	994,345	306	48	(Note 1)	Approved, 99.78%
Proposal 2 Partial Amendments to Articles of Incorporation	993,970	681	48	(Note 2)	Approved, 99.74%
Proposal 3 Election of Four (4) Audit & Supervisory Board Members					
Kazuhiisa Amari	987,968	6,683	48	(Note 3)	Approved, 99.14%
Nobuyuki Hashimoto	946,370	48,278	48		Approved, 94.96%
Koichi Otsu	994,022	629	48		Approved, 99.75%
Atsuko Taishido	914,711	79,939	48		Approved, 91.79%
Proposal 4 Election of One (1) Substitute Audit & Supervisory Board Member	914,531	80,119	48	(Note 3)	Approved, 91.77%
Proposal 5 Payment of Retirement Benefits to Retiring Director	883,359	111,281	48	(Note 1)	Approved, 88.64%

Matters for resolution	Number of Approval Votes	Number of Disapproval Votes	Number of Abstentions	Requirement for Adoption	Resolution Result and Approval Ratio
Proposal 6 Final Payment Associated with Abolishment of the Retirement Benefits System for Directors	888,946	105,702	48	(Note 1)	Approved, 89.20%
Proposal 7 Revision of the Remuneration Amount for Directors	993,504	1,092	103	(Note 1)	Approved, 99.69%
Proposal 8 Determination of the Amount and Details of the Performance-linked Stock Remuneration System, etc. for Directors	988,615	6,036	48	(Note 1)	Approved, 99.20%

- Notes:
1. The requirement for adoption of the proposal is approval by a majority of the votes of shareholders present who are entitled to exercise voting rights.
 2. The requirement for adoption of the proposal is approval by two-thirds (2/3) or more of the votes of shareholders present at the meeting where the shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to exercise voting rights are present.
 3. The requirement for adoption of the proposal is approval by a majority of the votes of shareholders present at the meeting where the shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to exercise voting rights are present.

- (4) Reason why a portion of the number of voting rights of the shareholders present at the meeting was not included in the number of voting rights

The sum of the number of voting rights exercised by the date immediately before the date of the General Meeting of Shareholders and the number of voting rights of a part of the shareholders present at the General Meeting of Shareholders in person whose intention of approval or disapproval for each proposal was confirmed satisfied the requirement for adoption of each proposal, and the resolutions have been adopted pursuant to the Companies Act. Therefore, the number of voting rights of the shareholders present at the General Meeting of Shareholders in person whose intention of approval, disapproval or abstention was not confirmed has not been included in the calculation.