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Pigeon Corporation

Notice of the 57th Ordinary General Meeting of Shareholders

Securities Code: 7956
April 3, 2014

Dear Shareholders,

Pigeon Corporation (the “Company”) cordially invites you to attend the 57th Ordinary General Meeting of Shareholders of Pigeon Corporation (the “Meeting”). The details of the Meeting are provided below.

If you are unable to attend in person, you may exercise your voting rights in writing. After reading the Reference Documents for the General Meeting of Shareholders provided herewith, please indicate whether you approve or disapprove each proposal on the enclosed Voting Form and return it to the Company by 5:15 p.m., Thursday, April 24, 2014 (JST).

Sincerely yours,

Shigeru Yamashita
President and COO
Pigeon Corporation
4-4, Nihonbashi-Hisamatsu-cho,
Chuo-ku, Tokyo

Meeting Information

1. Date and Time:

Friday, April 25, 2014, at 10:00 a.m. (JST)

2. Place:

Grand Prince Hotel Takanawa, B1, “Prince Room”
13-1, Takanawa 3-chome, Minato-ku, Tokyo

3. Purpose of the Meeting

Matters to Be Reported:

- a. Business Report and Consolidated Financial Statements for the 57th Fiscal Year (from February 1, 2013 to January 31, 2014), as well as the audit reports of the Independent Auditor and the Audit & Supervisory Board on Consolidated Financial Statements
- b. Non-Consolidated Financial Statements for the 57th Fiscal Year (from February 1, 2013 to January 31, 2014)

Matters to Be Resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Eight (8) Directors
Proposal 3: Payment of Retirement Benefits to Retiring Director
Proposal 4: Election of Independent Auditor

Notes:

- * You are kindly requested to present the enclosed Voting Form to the receptionist when you attend the Meeting.
- * If any changes have been made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-Consolidated Financial Statements, such changes will be posted on our website (<http://www.pigeon.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company hereby makes the following proposal on the appropriation of surplus:

Year-end dividends

The Company regards the return of profits to shareholders as an important management priority. Our basic policy is to proactively return profits to shareholders through distribution of dividends from surplus and/or other means, while reinforcing our financial position based on considerations of medium-term changes in business conditions and the Pigeon Group's business strategies. With respect to specific goal on the shareholder return, pursuant to our Fourth Medium-Term Business Plan [from the 55th Fiscal Year (the year ended January 31, 2012) through the 57th Fiscal Year (the year ended January 31, 2014)] announced in March 2011, we aimed to maintain a total shareholder return ratio of over 50% on a consolidated basis. In order to achieve this goal, we sought to further strengthen and upgrade measures for returning profits to the shareholders. Based on this policy, we propose the appropriation of surplus for the current fiscal year as described below.

1. Type of dividend property: Cash
2. Dividend property allotment and total amount thereof

Dividend per common share of the Company: ¥55
Total amount of dividends: ¥2,201,403,050

3. Effective date of distribution of dividends from surplus: April 28, 2014

<Reference>

Record date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
January 31, 2013	¥44.00 (¥22.00)	¥71.00 (¥35.50)	¥115.00 (¥57.50)
January 31, 2014	¥66.00 (¥33.00)	¥55.00 (¥55.00)	- (¥88.00)

* Effective August 1, 2013, the Company has executed a 2-for-1 split of common shares. In the figures for dividend per share in the table above, the figures in parentheses are a reference value calculated on the basis of the number of shares after the share split.

The annual dividend per share for the year ended January 31, 2014 is ¥88, an increase of ¥30.50 compared to the previous year, calculated on the basis of the number of shares after the share split.

Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) existing directors will expire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of eight (8) directors.

The candidates for directors are as follows:

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
1	Yoichi Nakata (May 11, 1942)	April 1967	Joined Mizuguchi Shoji Co., Ltd.	3,149,268
		March 1969	Joined the Company, Vice President and Director	
		May 1977	Vice President and Representative Director	
		May 1983	President and COO	
		April 2000	Chairman and CEO	
		April 2007	Executive Advisor and Member of the Board (current position)	
2	Akio Okoshi (October 14, 1950)	March 1969	Joined the Company	45,500
		September 1989	Vice President of Lite Corporation	
		August 1998	General Manager of Sales Dept., Industrial Material Div. of Plus Kogyo (currently known as J-Film Corp.)	
		August 2001	Deputy Division Manager of Administration Div. of the Company	
		December 2001	Managing Officer	
		April 2004	Director	
		April 2006	Managing Director	
		April 2007	President and COO	
		April 2013	Chairman of the Board and CEO (current position)	
3	Shigeru Yamashita (February 14, 1958)	March 1981	Joined the Company	19,012
		February 1997	President of Pigeon Industries (Thailand) Co., Ltd.	
		July 2004	President of Lansinoh Laboratories, Inc.	
		April 2007	Managing Officer	
		April 2009	Director	
		April 2011	Managing Director	
		April 2012	Director and Managing Executive Officer	
		April 2013	President and COO and Supervision of Research & Development Div. (current position)	

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
4	Eiji Akamatsu (October 3, 1958)	March 1982	Joined the Company	14,900
		May 2002	President of Pigeon Will Co., Ltd.	
		January 2006	General Manager of Child Care Service Business Div. of the Company and Managing Director of Pigeon Hearts Co., Ltd.	
		August 2006	General Manager of Child Care Service Business Div. of the Company and President of Pigeon Hearts Co., Ltd.	
		March 2007	Managing Officer and Division Manager of Child Care Service Business Div. of the Company and President of Pigeon Hearts Co., Ltd.	
		January 2011	Managing Officer and Division Manager of Child Care Service Business Div. of the Company	
		April 2011	Director, Division Manager of Child Care Service Business Div. and Supervision of Accounting & Finance Div.	
		April 2012	Director, Junior Managing Executive Officer, Division Manager of Human Resources & General Affairs Div. and Supervision of Accounting & Finance Div. and Child Care Service Business Div.	
		January 2013	Director, Junior Managing Executive Officer and Supervision of Accounting & Finance Div., Human Resources & General Affairs Div. and Child Care Service Business Div.	
		April 2013	Director, Managing Executive Officer and Supervision of Corporate Administration Div., Accounting & Finance Div. and Human Resources & General Affairs Div. (current position)	
5	Norimasa Kitazawa (January 20, 1956)	April 1979	Joined Aster Corporation	4,500
		September 1983	Joined the Company	
		January 1994	Director of Pigeon Singapore Pte. Ltd.	
		April 1998	President of Pigeon Singapore Pte. Ltd.	
		May 2002	President of Pigeon (Shanghai) Co., Ltd.	
		January 2008	Managing Officer and Deputy Division Manager of Overseas Business Div. of the Company and President of Pigeon (Shanghai) Co., Ltd.	
		March 2011	Senior Managing Officer and Division Manager of China Business Div. of the Company and President of Pigeon (Shanghai) Co., Ltd.	
		April 2012	Director, Junior Managing Executive Officer and Division Manager of China Business Div. of the Company and President of Pigeon (Shanghai) Co., Ltd.	
		April 2013	Director, Managing Executive Officer, Division Manager of China Business Div. and Supervision of Overseas Business Div. (current position)	

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
6	Kazuhiisa Amari (November 11, 1959)	March 1983	Joined the Company	12,800
		January 2004	General Manager of Product Strategy Dept., Marketing Div.	
		January 2006	Managing Officer and Division Manager of Research & Development Div.	
		April 2009	Director, Division Manager of Research & Development Div. and Supervision of Logistics Div.	
		January 2010	Director and Supervision of Research & Development Div. and Customer Service Center	
		April 2012	Director, Junior Managing Executive Officer and Supervision of Research & Development Div. and Customer Service Center	
		January 2013	Director, Junior Managing Executive Officer, Division Manager of Logistics Div. and Supervision of Research & Development Div., Quality Control Div. and Customer Service Center	
		April 2013	Director, Junior Managing Executive Officer, Division Manager of Logistics Div. and Supervision of Quality Control Div. and Customer Service Center (current position)	
7	Yasunori Kurachi (December 25, 1959)	March 1982	Joined the Company	2,900
		October 2004	Block Manager of North Japan Block, Domestic Sales Div.	
		January 2006	Managing Officer and Division Manager of Marketing Div.	
		January 2008	Managing Officer and Deputy Division Manager of Domestic Baby & Mother Care Business Div.	
		April 2011	Managing Officer and Division Manager of Domestic Baby & Mother Care Business Div.	
		April 2013	Director, Junior Managing Executive Officer and Supervision of Domestic Baby & Mother Care Business Div. and Child Care Service Business Div. (current position)	
*8	Tadashi Itakura (January 5, 1964)	April 1987	Joined the Company	40
		January 2008	General Manager of Human Resources & General Affairs Dept., Administration Div.	
		January 2009	Managing Officer and Division Manager of Human Resources & General Affairs Div.	
		April 2012	Managing Officer of the Company and President of Thai Pigeon Co., Ltd.	
		January 2014	Managing Officer and Division Manager of Research & Development Div. (current position)	

Notes: 1. * indicates a new candidate for director.

2. There is no special interest between the candidates and the Company.

<Reference>

Since its public listing, the Company has strengthened its corporate governance through its current form of business management consisting of the Board of Directors and the Audit & Supervisory Board. Because results have hitherto grown steadily under this system, the Company judges that this system has been functioning effectively.

In Japan, audit & supervisory board members are granted significant powers under the Companies Act for the purpose of auditing and supervising directors, including the power to attend and state their opinions at meetings of the Board of Directors and the power to investigate the operations and assets of the company they audit. Furthermore, the term of office of an audit & supervisory board member is guaranteed to be four (4) years. As a company with an Audit & Supervisory Board, the Company appoints two (2) outside audit & supervisory board members to fulfill the role of supervising management from an outside perspective.

The outside audit & supervisory board members of the Company are Mr. Shigeru Nishiyama, who is a graduate school professor and certified public accountant, and Mr. Shuji Idesawa, who is an attorney.

Both of them are highly independent and both of them perform their duties based on their expert knowledge not only to strengthen compliance but also to enhance enterprise value. Accordingly, the Company judges that they are both sufficiently fulfilling their monitoring roles for the purpose of enhancing management and enterprise value.

Specifically, the two (2) outside audit & supervisory board members not only attend meetings of the Board of Directors, conduct interviews with the Representative Directors and other directors, and ask questions and state opinions during such opportunities, thus supervising the legality of the conduct of directors from a neutral and objective standpoint and in consideration of the interests of shareholders, which is a legal role of audit & supervisory board members, but also sufficiently fulfill their supervisory roles by such means as providing advice regarding the appropriateness of management decisions in consideration of the enhancement of enterprise value. Even so, the Company will continue to consider further appointments of outside directors in consideration of the further enhancement of enterprise value.

Proposal 3: Payment of Retirement Benefits to Retiring Director

The Company hereby proposes the payment of retirement benefits to Mr. Takashi Sakuma, who will retire as director as of the conclusion of the Meeting, in order to reward him for his service while in office, in accordance with the Company's "Rules on Retirement Benefits for Directors."

Mr. Sakuma gave tireless service as director at the Corporate Administration Division, the Accounting & Finance Division, the Human Resources & General Affairs Division, the Logistics Division, the Customer Service Center, the Audit Department, and in businesses in Japan.

The Company also proposes that the determination of the details of payment such as the timing and method be delegated to the Board of Directors.

The specific amount of payment and career summary of the retiring director are as follows:

Name	Amount (¥ thousand)	Career Summary	
Takashi Sakuma	26,014	April 2007	Director of the Company
		April 2008	Senior Managing Director
		April 2012	Director and Senior Managing Executive Officer (current position)

<Reference>

The Company's policy for determining remuneration for directors and audit & supervisory board members

The Company's remuneration for directors and audit & supervisory board members is determined based on the following policy within a maximum amount resolved at the General Meeting of Shareholders.

Remuneration for directors is comprised of basic remuneration linked to business performance and retirement benefits. The amount of basic remuneration is determined on the basis of the consolidated business performance (consolidated net sales and consolidated operating income) achieved by the Pigeon Group in each fiscal year. Retirement benefits to directors are calculated in accordance with the Company's "Rules on Retirement Benefits for Directors," and from the 56th Ordinary General Meeting of Shareholders held on April 25, 2013, proposals shall be submitted with each amount to be paid clearly specified. The calculation method is in accordance with standards prescribed in the said rules, thus ensuring consistency in the calculations.

Retirement benefits system for audit & supervisory board members has been abolished and remuneration for audit & supervisory board members is limited to a fixed amount effective from the conclusion of the 56th Ordinary General Meeting of Shareholders held on April 25, 2013, in order to further safeguard their independence from the management of the Company. There is no retirement benefits system in place for outside audit & supervisory board members.

Proposal 4: Election of Independent Auditor

The term of office of the incumbent independent auditor of the Company, BDO Sanyu & Co., will expire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of a new independent auditor.

With respect to this proposal, the Company has obtained the consent of the Audit & Supervisory Board.

The candidate for Independent Auditor is as follows:

Name	PricewaterhouseCoopers Aarata			
Offices	Main office	Sumitomo Fudosan Shiodome Hamarikyu Bldg., 21-1, Ginza 8-chome, Chuo-ku, Tokyo		
	Other offices	Nagoya Office and Osaka Office		
History	June 2006	Establishment		
	July 2006	Inauguration of operations		
Business overview	Capital contribution	¥1,841 million (as of January 31, 2014)		
	Staffing	Partners	110	
		CPAs	757	
Assistant CPAs		374		
Audit assistants		495		
Other clerks etc.		316		
	Total	2,052 (as of January 31, 2014)		
	Number of companies audited	838 (as of June 30, 2013)		