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Pigeon Corporation

Notice of the 58th Ordinary General Meeting of Shareholders

Securities Code: 7956
April 6, 2015

Dear Shareholders,

Pigeon Corporation (the “Company”) cordially invites you to attend the 58th 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., Monday, April 27, 2015 (JST).

Sincerely yours,

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

Meeting Information

1. Date and Time:

Tuesday, April 28, 2015, at 10:00 a.m. (JST)

2. Place:

Royal Park Hotel, 3F, “Royal Hall”
1-1, Nihonbashi-Kakigara-cho 2-chome, Chuo-ku, Tokyo

Please note that the place of the Meeting is different from that of the previous meeting.

3. Purpose of the Meeting

Matters to Be Reported:

- a. Business Report and Consolidated Financial Statements for the 58th Fiscal Year (from February 1, 2014 to January 31, 2015), 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 58th Fiscal Year (from February 1, 2014 to January 31, 2015)

Matters to Be Resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to Articles of Incorporation
- Proposal 3:** Election of One (1) Director
- Proposal 4:** Election of Four (4) Audit & Supervisory Board Members
- Proposal 5:** Election of One (1) Substitute Audit & Supervisory Board Member

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 Fifth Medium-Term Business Plan [from the 58th Fiscal Year (the year ended January 31, 2015) through the 60th Fiscal Year (the year ending January 31, 2017)] announced in March 2014, we are targeting year-on-year increases in cash dividends in each fiscal period and a total shareholder return ratio of 45–50% on a consolidated basis. In order to achieve this goal, we are seeking 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: ¥60
Total amount of dividends: ¥2,395,269,960

3. Effective date of distribution of dividends from surplus: April 30, 2015

<Reference>

Record date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
January 31, 2014	¥66.00 (¥33.00)	¥55.00	- (¥88.00)
January 31, 2015	¥45.00	¥60.00	¥105.00

* 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, 2015 is ¥105, an increase of ¥17 compared to the previous year, calculated on the basis of the number of shares after the share split.

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for Amendments

- (1) In order to appoint appropriate personnel with high independence as Outside Directors, and to enable Outside Directors to sufficiently fulfill the role required of this position, the Company proposes that Article 27 (Limited Liability Contract for Outside Directors) be newly established as a provision of the Articles of Incorporation stating that the Company may enter into a limited liability contract with Outside Directors.
The proposal of establishment of Article 27 of the Articles of Incorporation (Limited Liability Contract for Outside Directors) has been consented to by all of the Audit & Supervisory Board Members.
- (2) In accordance with the establishment of the above-mentioned article, the Company proposes that the article numbers be moved down.

2. Details of Amendments

Details of the amendments are stated below.

(Amendments underlined)

Current Articles of Incorporation	Proposed Amendments
<p>CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 18. to Article 26. (Omitted) (Newly established)</p> <p>Article <u>27.</u> to Article <u>38.</u> (Omitted)</p>	<p>CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 18. to Article 26. (No change)</p> <p><u>Article 27. (Limited Liability Contract for Outside Directors)</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude a contract with Outside Directors to limit liability for damage attributable to their negligence in carrying out duties; provided, however, the limit of liability pursuant to the contract shall be the aggregate sum of the amounts prescribed in each item in Article 425, Paragraph 1 of the Companies Act.</u></p> <p>Article <u>28.</u> to Article <u>39.</u> (Same as Article 27. to Article 38. of the current Articles of Incorporation)</p>

Proposal 3: Election of One (1) Director

In order to enhance corporate governance and further improve its corporate value, the Company intends to elect one (1) Outside Director, and hereby proposes the election of one (1) Director.

The candidate for Director is as follows:

Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held	
Takayuki Nitta (November 8, 1970)	April	1995	0	
		Participated in Japan Overseas Cooperation Volunteers of Japan International Cooperation Agency (JICA) (later changed from a special public institution to an independence administrative institution under the same English name)		
	March	1999		Joined Corporate Directions, Inc.
	June	2005		Joined Asuka Corporate Advisory Co., Ltd.
	February	2009		Executive Director of Asuka Corporate Advisory Co., Ltd.
October	2013	Established Misaki Consulting (currently known as Misaki Capital Inc.) Partner of Misaki Capital Inc. (current position)		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Although the candidate is a partner of Misaki Capital Inc., it has been confirmed that the said company (including the funds it manages) has not made any investment in the Company and will not do so until the end of the candidate's term as an Outside Director of the Company. Therefore, it has been concluded that there is no risk of conflict of interest between the candidate and our general shareholders.
 3. The candidate is a candidate for Outside Director. If this proposal is approved, and the candidate takes office as Outside Director, he will be designated as independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE), and the Company plans to notify the TSE to that effect.
 4. The candidate has a wealth of knowledge in corporate management nurtured through extensive experience at a management consulting company and investment management companies, and the Company believes such experience is beneficial to advising on management strategy and improving the objectivity of the decision-making process and enhancement of corporate governance. The Company therefore would like to have the candidate elected as Outside Director.
 5. If this proposal is approved, and the candidate takes office as Outside Director, on condition that Proposal 2: Partial Amendments to Articles of Incorporation is approved as proposed, the Company plans to enter into a limited liability contract with him which limits his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages pursuant to the limited liability contract is the aggregate sum of the amounts prescribed in each item in Article 425, Paragraph 1 of the Companies Act.
 6. The term of office of the Director elected to increase the number of Directors is, in accordance with the Company's Articles of Incorporation, to be the same as the remaining term of office of the incumbent Directors.

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

The terms of office of all four (4) existing Audit & Supervisory Board Members will expire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of four (4) Audit & Supervisory Board Members.

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

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of Birth)	Career Summary, Position in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
1	Yasushi Takashima (January 26, 1956)	April 1979	Joined Lapine Co., Ltd.	29,984
		July 1984	Joined the Company	
		February 2001	General Manager of Accounting Dept., Administration Div.	
		January 2003	Managing Officer supervising Accounting Dept.	
		January 2006	Managing Officer and Division Manager of Administration Div.	
		January 2009	Managing Officer and Division Manager of Accounting & Finance Div.	
		April 2012	Standing Audit & Supervisory Board Member (current position)	
2	Hiroki Yuda (October 10, 1955)	March 1979	Joined the Company	16,400
		February 2001	General Manager of Tokyo Metropolitan Area Sales Dept., Domestic Sales Div.	
		December 2001	Branch Manager of Osaka Branch, Domestic Sales Div.	
		January 2003	Block Manager of West Japan Block, Domestic Sales Div.	
		January 2006	Managing Officer and Division Manager of Domestic Sales Div.	
		January 2008	Managing Officer and Division Manager of Domestic Baby & Mother Care Business Div.	
		April 2011	Director supervising Health & Elder Care Business Div.	
		April 2012	Director, Junior Managing Executive Officer supervising Health & Elder Care Business Div.	
		April 2013	Standing Audit & Supervisory Board Member (current position)	
3	Shigeru Nishiyama (October 27, 1961)	March 1987	Registered as Certified Public Accountant	11,800
		April 2000	Associate Professor at Waseda University Graduate School of Asia-Pacific Studies	
		April 2003	Outside Audit & Supervisory Board Member of the Company (current position)	
		April 2006	Professor at Waseda University Graduate School of Commerce (current position)	
		(Notable Concurrent Positions) Professor at Waseda University Graduate School of Commerce Outside Audit & Supervisory Board Member of Mitsui Sumitomo Insurance Co., Ltd. Outside Audit & Supervisory Board Member of Astellas Pharma Inc.		

No.	Name (Date of Birth)	Career Summary, Position in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
4	Shuji Idesawa (January 15, 1957)	April 1983	Registered as Attorney (Dai-ichi Tokyo Bar Association)	13,200
		March 1995	Established Idesawa & Associates (currently known as Idesawa & Partners) Attorney/Managing Partner (current position)	
		April 2006	Outside Audit & Supervisory Board Member of the Company (current position)	
		(Notable Concurrent Positions) Attorney/Managing Partner at Idesawa & Partners Outside Audit & Supervisory Board Member of F@N Communications, Inc. Outside Audit & Supervisory Board Member of Nextgen, Inc.		

- Notes:
1. There is no special interest between the candidates and the Company.
 2. There is no special interest between any of the organizations that Mr. Shigeru Nishiyama or Mr. Shuji Idesawa concurrently holds a position in and the Company.
 3. Mr. Shigeru Nishiyama and Mr. Shuji Idesawa are the candidates for Outside Audit & Supervisory Board Members. Both candidates have been designated as independent directors/auditors as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE) and the Company notified the TSE to that effect.
 4. The reason for nominating Mr. Shigeru Nishiyama as a candidate for Outside Audit & Supervisory Board Member is that he is current Outside Audit & Supervisory Board Member of the Company who provides his opinions based on his expert viewpoints as a certified public accountant and a graduate school professor, and provides advice and suggestions for assuring the suitability and appropriateness of decisions of the Board of Directors. The Company therefore would like to have Mr. Nishiyama reelected as Outside Audit & Supervisory Board Member. On an additional note, although Mr. Nishiyama has not been involved in corporate management in the past other than serving as an outside director or outside audit & supervisory board member, he possesses extensive knowledge on finance and accounting. Accordingly, the Company has come to a conclusion that Mr. Nishiyama is capable of appropriately performing the duties of Outside Audit & Supervisory Board Member.
 5. The reason for nominating Mr. Shuji Idesawa as a candidate for Outside Audit & Supervisory Board Member is that he is current Outside Audit & Supervisory Board Member of the Company who provides his opinions based on his expert viewpoint as an attorney, and provides advice and suggestions for assuring the suitability and appropriateness of decisions of the Board of Directors. The Company therefore would like to have Mr. Idesawa reelected as Outside Audit & Supervisory Board Member. On an additional note, although Mr. Idesawa has not been involved in corporate management in the past other than serving as an outside audit & supervisory board member, as an attorney, he possesses advanced knowledge and extensive experience in law and is an expert of corporate legal matters. Accordingly, the Company has come to a conclusion that Mr. Idesawa is capable of appropriately performing the duties as an Outside Audit & Supervisory Board Member.
 6. Mr. Shigeru Nishiyama is currently an Audit & Supervisory Board Member of the Company. The period for which he has held the position of Audit & Supervisory Board Member will become twelve (12) years as of the conclusion of the Meeting.
 7. Mr. Shuji Idesawa is currently an Audit & Supervisory Board Member of the Company. The period for which he has held the position of Audit & Supervisory Board Member will become nine (9) years as of the conclusion of the Meeting.
 8. In order to appoint appropriate personnel with high independence as Outside Audit & Supervisory Board Member, current Articles of Incorporation of the Company provide that the Company may enter into a limited liability contract with Outside Audit & Supervisory Board Member which limits the Outside Audit & Supervisory Board Member's liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. Pursuant to such provision, the Company has entered into such limited liability contracts with Mr. Shigeru Nishiyama and Mr. Shuji Idesawa. In addition, upon the approval of reappointment of both of them, the Company plans to continue such limited liability contracts. The limit of liability for damages pursuant to the limited liability contract is the aggregate sum of the amounts prescribed in each item in Article 425, Paragraph 1 of the Companies Act.

Proposal 5: Election of One (1) Substitute Audit & Supervisory Board Member

The validity of election of Ms. Tokiko Maruno, who was elected as substitute Audit & Supervisory Board Member at the 54th Ordinary General Meeting of Shareholders held on April 27, 2011, will expire as of commencement of the Meeting. Accordingly, in order to prepare for a possible situation in which the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company again proposes the election of one (1) substitute Audit & Supervisory Board Member.

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

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Career Summary and Notable Concurrent Positions		Number of the Company's Shares Held
Tokiko Maruno (July 21, 1973)	October 2002	Registered as Attorney (Dai-ichi Tokyo Bar Association)	0
	October 2002	Joined Idesawa & Partners (to the present)	

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Ms. Tokiko Maruno is the candidate for substitute Outside Audit & Supervisory Board Member. Ms. Maruno is a candidate who falls under the category of independent directors/auditors as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
 3. The reason for nominating Ms. Tokiko Maruno as a candidate for substitute Outside Audit & Supervisory Board Member is to have her use her professional knowledge as an attorney for the Company's audit. On an additional note, although Ms. Maruno has not been involved in corporate management in the past, as an attorney, she possesses advanced knowledge and extensive experience in law and is an expert in corporate legal matters. Accordingly, the Company has come to a conclusion that Ms. Maruno is capable of appropriately performing the duties of Outside Audit & Supervisory Board Member.
 4. In order to appoint appropriate personnel with high independence as Outside Audit & Supervisory Board Member, current Articles of Incorporation of the Company provide that the Company may enter into a limited liability contract with Outside Audit & Supervisory Board Member which limits the Outside Audit & Supervisory Board Member's liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. In the event that Ms. Tokiko Maruno assumes the position of Audit & Supervisory Board Member, the Company plans to enter into such limited liability contract with her. The limit of liability for damages pursuant to the limited liability contract is the aggregate sum of the amounts prescribed in each item in Article 425, Paragraph 1 of the Companies Act.