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Pigeon Corporation

Notice of the 60th Ordinary General Meeting of Shareholders

April 5, 2017

Dear Shareholders,

Pigeon Corporation (the “Company”) cordially invites you to attend the 60th 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 or electronically (via the Internet, etc.). After reviewing the Reference Documents for the General Meeting of Shareholders provided herewith, please exercise your voting rights through either of the methods described in page 3 by 5:15 p.m., Wednesday, April 26, 2017 (JST).

Sincerely yours,

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

Meeting Information

1. Date and Time:

Thursday, April 27, 2017, at 10:00 a.m. (JST)

2. Place:

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

3. Purpose of the Meeting

Matters to Be Reported:

- a. Business Report and Consolidated Financial Statements for the 60th Fiscal Year (from February 1, 2016 to January 31, 2017), as well as the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
- b. Non-Consolidated Financial Statements for the 60th Fiscal Year (from February 1, 2016 to January 31, 2017)

Matters to Be Resolved:

Proposal: Appropriation of Surplus

4. Exercise of Voting Rights

Please be informed that if voting rights are exercised both in writing and by the Internet, etc., the contents of the votes by the Internet, etc. shall be deemed valid.

If voting rights are exercised multiple times via the Internet, etc., the final vote cast will be considered effective. (However, this is restricted to the votes cast before the deadline for the exercise of voting rights.)

Notes:

- * You are kindly requested to submit 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 the Company’s website (<http://www.pigeon.co.jp/>).
- * Pursuant to the provisions of laws and regulations and the Company’s Articles of Incorporation, the following items are posted on the Company’s website (<http://www.pigeon.co.jp/>) and not contained in the documents provided with this notice; however, those items were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit reports in the same manner as the documents provided with this notice.
 - (1) Notes to consolidated financial statements
 - (2) Notes to non-consolidated financial statements

Guidance for Methods of Exercise of Voting Rights

In case you are attending the Meeting

Please submit the enclosed Voting Form to reception at the meeting venue.

Date and time: **Thursday, April 27, 2017, at 10:00 a.m. (JST)**
(Reception starts at 9:00 a.m.)

Place: **Royal Park Hotel, 3F, “Royal Hall”**

In case you are unable to attend the Meeting

Exercise of voting rights in writing

Please indicate your approval or disapproval for each of the proposal on the enclosed Voting Form and return it to us by mail.

If you do not indicate your approval or disapproval for the proposal, you will be assumed to have approved the proposal.

Exercise deadline: No later than 5:15 p.m. on Wednesday, April 26, 2017 (JST)

Exercise of voting rights via the Internet, etc.

Please refer to the “Guidance for the Exercise of Voting Rights via the Internet, etc.” (page 4) and indicate your approval or disapproval for the proposal.

Exercise deadline: No later than 5:15 p.m. on Wednesday, April 26, 2017 (JST)

Guidance for the Exercise of Voting Rights via the Internet, etc.

Method of exercise of voting rights via the Internet, etc.

Please access <http://www.evotep.jp/>, log in using the Login ID and Temporary Password indicated on the enclosed Voting Form and indicate your approval or disapproval by following the instructions on the screen.

Deadline for the exercise of voting rights via the Internet, etc.

No later than 5:15 p.m. on Wednesday, April 26, 2017 (JST)

* Please note that votes cannot be accepted from 2:00 a.m. to 5:00 a.m.

- * The costs incurred when accessing the Internet voting website (including Internet access fees and communication expenses) will be borne by the shareholder.
- * The Internet voting website may not be available in certain Internet settings.
- * For details, please contact the Help Desk provided below.

Login ID and Password

Please note that in order to prevent improper access (“spoofing”) or vote-altering by non-shareholders, you will be asked to change your Temporary Password on the Internet voting website. You will be notified of your new Login ID and Temporary Password every time a General Meeting of Shareholders is convened.

If you have exercised your voting rights more than once

If you have exercised your voting rights both in writing and via the Internet, etc.

Only the voting rights you exercised via the Internet, etc. will be considered effective.

If you have exercised your voting rights more than once via the Internet, etc.

Only the voting rights you exercised last will be considered effective. (However, this is restricted to the votes cast before the deadline for the exercise of voting rights.)

Inquiries related to systems, etc.

**Mitsubishi UFJ Trust and Banking Corporation
Stock Transfer Agency Division (Help Desk)**

Phone: 0120-173-027 (toll-free, within Japan)

Hours: 9:00 a.m. to 9:00 p.m.

Reference Documents for the General Meeting of Shareholders

Proposal: Appropriation of Surplus

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

Year-end dividends

The Company views 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 other means, while reinforcing our financial position by taking into consideration the medium-term changes in business conditions and the Pigeon Group's business strategies. With respect to specific goals on shareholder returns, 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 ended January 31, 2017)] announced in March 2014, we have targeted 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 have aimed to further strengthen and upgrade the measures on returning profits to shareholders. In addition, as the Company will celebrate the 60th anniversary of its founding on August 15, 2017, we will pay a commemorative dividend to show our gratitude to shareholders for their support. Accordingly, 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: ¥28
(Ordinary dividend: ¥25; commemorative dividend: ¥3)
Total amount of dividends: ¥3,353,323,204

3. Effective date of distribution of dividends from surplus:

April 28, 2017

<Reference>

Record date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
January 31, 2016	¥20.00 (Ordinary dividend: ¥20.00)	¥22.00 (Ordinary dividend: ¥22.00)	¥42.00 (Ordinary dividend: ¥42.00)
January 31, 2017	¥25.00 (Ordinary dividend: ¥22.00) (Commemorative dividend: ¥3.00)	¥28.00 (Ordinary dividend: ¥25.00) (Commemorative dividend: ¥3.00)	¥53.00 (Ordinary dividend: ¥47.00) (Commemorative dividend: ¥6.00)

* With regard to the dividends for the year ended January 31, 2017, the interim dividend and the year-end dividend were raised by ¥3 per share, respectively, as a commemorative dividend in celebration of the 60th anniversary of the Company's founding in addition to the ordinary dividend. The annual dividend per share for the year ended January 31, 2017 is ¥53, an increase of ¥11 compared to the previous year.