



September 24, 2013

For Immediate Release

September 2, 2013
Company name: Pigeon Corporation
Representative: Shigeru Yamashita (President and COO)
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Absorption-type Merger with a Consolidated Subsidiary (Simple and Short-form Merger)

At a meeting of the Board of Directors of Pigeon Corporation (“Pigeon”) on September 24, 2013, Pigeon passed a resolution to conduct an absorption-type merger with Pigeonwill Corporation (“Pigeonwill”), a wholly owned consolidated subsidiary of Pigeon, as described below.

Because Pigeonwill, the target of the absorption-type merger, is a wholly owned consolidated subsidiary of Pigeon, the merger is a short-form merger. Accordingly, some items and details are omitted from disclosure.

1. Objectives of Merger

Pigeonwill, a wholly owned consolidated subsidiary of Pigeon, is a vendor of innerwear and other products for expectant and nursing mothers. Pigeon is a vendor of dietary supplements, skin-care products, products for expectant and nursing mothers and other products. To strengthen its sales and marketing functions as a general vendor of products for expectant and nursing mothers, and to combine the management resources of the Pigeon Group for more efficient management of operations, Pigeon decided to conduct an absorption-type merger with Pigeonwill.

2. Summary of Merger

(1) Timeline

Date of resolution of the Board of Directors	September 24, 2013
Date of conclusion of agreement	September 24, 2013
Scheduled date of merger (effective date)	February 1, 2014

Note: This merger is a short-form merger as stipulated in Article 796, Paragraph 3 of the Companies Act with respect to Pigeon and as stipulated in Article 784, Paragraph 1 of the Companies Act with respect to Pigeonwill. As such, the merger will be consummated without a resolution of the general meeting of shareholders of either Pigeon or Pigeonwill.

(2) The method of merger is an absorption-type merger, with Pigeon as the surviving company. As such, Pigeonwill is to be dissolved.

(3) Details of divisions of shares and other items related to the merger

This merger does not constitute a division of shares, funds or other items.

(4) Handling of warrants and bonds with warrants of the merged company

Pigeonwill has issued no warrants or bonds with warrants.

3. Overview of the Companies Party to the Merger

	Surviving company	Merged company	
(1) Name	Pigeon Corporation	Pigeonwill Corporation	
(2) Location	4-4 Nihonbashi-hisamatsucho, Chuo-ku, Tokyo	4-4 Nihonbashi-hisamatsucho, Chuo-ku, Tokyo	
(3) Name and position of representative director	Shigeru Yamashita, President and COO	Kahoru Kasahara, President and COO	
(4) Details of operations	Manufacture and sale of products for infants, expectant and nursing mothers and nursing-care	Sale of products for expectant and nursing mothers and infants	
(5) Capital	¥5,199,000,000	¥100,000,000	
(6) Date established	August 15, 1957	August 18, 1989	
(7) Shares issued	40,551,162 *	8,000	
(8) Fiscal year-end	January 31	January 31	
(9) Major shareholders and ownership ratio (As of January 31, 2013)	The Master Trust Bank of Japan, Ltd. (Trust Account) 12.72% Youichi Nakata 9.26% Japan Trustee Services Bank, Ltd. (Trust Account) 7.73% BBH Matthews Asia Dividend Fund 7.41%	Pigeon Corporation 100.00%	
(10) Financial condition and business results for the most recent fiscal year	Consolidated fiscal year ended January 31, 2013	Fiscal year ended January 31, 2013	
	Net assets	¥32,365,000,000	¥366,000,000
	Gross assets	¥48,538,000,000	¥764,000,000
	Net assets per share	¥791.25*	¥45,866.61
	Net sales	¥65,075,000,000	¥1,447,000,000
	Operating income	¥7,086,000,000	¥42,000,000
	Ordinary income	¥7,389,000,000	¥42,000,000
	Net income	¥4,573,000,000	¥23,000,000
	Net income per share	¥114.26*	¥2,977.28

* Pigeon Corporation has completed a 2-for-1 split of common shares, with August 1, 2013 as the effective date. As such, net assets per share and net income per share are calculated as if the share split had been conducted at the end of the previous consolidated fiscal year.

4. Result of the merger

No changes to Pigeon's name, location, representative director, capital or fiscal year-end shall be made as a result of the merger.

5. Future Directions

The merger is a merger with a wholly owned consolidated subsidiary of Pigeon. As such, it has no significant impact on the consolidated business results of Pigeon.