

March 6, 2017

Company Name: Pigeon Corporation

Representative: Shigeru Yamashita (President and COO)

Listings: First Section, Tokyo Stock Exchange (Stock Code: 7956)

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**Notice Regarding Dividends (Dividends Increase) for Retained Earnings
in the Year Ended January 31, 2017**

At the meeting of the Board of Directors held today, the Company passed a resolution on dividends for retained earnings with the record date as of January 31, 2017. Details are listed below. This matter is subject to official ratification upon approval at the General Meeting of Shareholders scheduled for April 27, 2017.

Details

1. Details of year-end dividends for the year ended January 31, 2017

	Determined amount	Recent dividend forecast (announced on Sept. 5, 2016)	Dividends in previous year (ended Jan. 31, 2016)
Record date	January 31, 2017	January 31, 2017	January 31, 2016
Dividend per share	28 yen (ordinary dividend: 25 yen) (commemorative dividend: 3 yen)	25 yen (ordinary dividend: 22 yen) (commemorative dividend: 3 yen)	22 yen (ordinary dividend: 22 yen)
Total dividend amount	3,353 million yen	-	2,634 million yen
Effective date	April 28, 2017	-	April 28, 2016
Dividend resource	Retained earnings	-	Retained earnings

2. Reason

One of our management priorities is on redistribution of profits to our shareholders, which is why our basic policy is to actively engage in redistribution of profits through dividend on stock, etc., with due consideration paid to changes of business environment on an intermediate-term basis, business strategy of the Group, as well as stable financial standing. Based on this policy, in the Fifth

Medium-term Business Plan (for the period between the fiscal year ended January 2015 and the fiscal year ended January 2017), we intend to "increase dividends every fiscal year compared to previous year and target a consolidated total shareholder return of 45-50%."

As was stated in the latest dividend forecast announced on September 5 of last year, as this term marks the 60th anniversary for the Group, and as in August 2017, Pigeon will be celebrating its founding, we decided to show our appreciation for the support of our shareholders through dividends. For that reason, we decided to add a commemorative dividend of 3 yen per share in recognition of the 60th anniversary of the Group's founding to both the interim dividend and the year-end dividend, resulting in both totaling 25 yen per share (and, combined, adding up to the annual dividend of 50 yen per share), and the decision has already been finalized and implemented regarding interim dividends.

Having recently reviewed the performance the Group made in the full fiscal year of the term ended January 2017, we decided to further add 3 yen of the ordinary dividend to the forecasted year-end dividend, with the resulting amount being 28 yen per share (the ordinary dividend of 25 yen plus the commemorative dividend of 3 yen per share in recognition of the 60th anniversary of the Group's founding).

As a result, the annual dividend for the term ended January 2017 will total 53 yen per share, a per share increase by 11 yen from the previous year.

[Reference #1: Breakdown of annual dividend]

Record date	Dividend per share (yen)		
	2Q-end	Year-end	Annual
January 31, 2016	20 yen (ordinary dividend: 20 yen)	22 yen (ordinary dividend: 22 yen)	42 yen (ordinary dividend: 42 yen)
January 31, 2017	25 yen (ordinary dividend: 22 yen) (commemorative dividend: 3 yen)	28 yen (ordinary dividend: 25 yen) (commemorative dividend: 3 yen)	53 yen (ordinary dividend: 47 yen) (commemorative dividend: 6 yen)

[Reference #2: Forecasted annual dividend for the year ending January 31, 2018]

With respect to the expected annual dividend for the term ending January, 2018, based on our targets of shareholder return listed in the Sixth Medium-Term Business Plan announced in the Summary of Financial Results today (aim to increase dividends every fiscal year compared to previous year and

target a consolidated total shareholder return of 55%), having taken into consideration the earnings forecast for the full fiscal year, we decided to increase the ordinary dividend and, without the commemorative dividend in recognition of the 60th anniversary of the Group's founding, we plan to pay 56 yen per share, which, in actual terms, will mean an increase of 3 yen from the previous term. Please refer to the details below.

Record date	Dividend per share (yen)		
	2Q-end	Year-end	Annual
January 31, 2018 (forecast)	28 yen (ordinary dividend: 28 yen)	28 yen (ordinary dividend: 28 yen)	56 yen (ordinary dividend: 56 yen)