

March 5, 2018

Company Name: Pigeon Corporation

Representative: Shigeru Yamashita (President and COO)

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

Contact: Tsutomu Matsunaga

(Managing Officer, Corporate Administration Division)

Phone: +81-3-3661-4188 (direct line)

Notice Regarding Recording of Extraordinary Income (Gain on Step Acquisitions)

This notice is to inform you that the Company recorded an extraordinary income (gain on step acquisitions) in the fourth quarter of the term ended January, 2018.

Details

1. Details of extraordinary income

As was announced by the Company in the "Notice Regarding Change to Equity-Method Affiliate (into Consolidated Subsidiary)" dated April 17, 2017, Pigeon Singapore Pte. Ltd., a 100% subsidiary of the Company, acquired additional shares of the PT Pigeon Indonesia changing PT Pigeon Indonesia into a consolidated subsidiary. In connection with the acquisition of additional shares, the Company reappraised the equity interest that had been owned prior to the additional acquisition at their acquisition-date fair value, and, as a result, recorded a total gain of 848 million yen on the reappraisal (gain on step acquisitions).

2. Effect on business results

The effect of the extraordinary income (gain on step acquisitions) on consolidated results for the period ended January, 2018 is as stated in 1. above.