

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 Dividends (Dividends Increase) for Retained Earnings
in the Year Ended January 31, 2018**

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, 2018. Details are listed below. This matter is subject to official ratification upon approval at the General Meeting of Shareholders scheduled for April 26, 2018.

Details

1. Details of year-end dividends for the year ended January 31, 2018

	Determined amount	Recent dividend forecast (announced on Sept. 4, 2017)	Dividends in previous year (ended Jan. 31, 2017)
Record date	January 31, 2018	January 31, 2018	January 31, 2017
Dividend per share	35 yen (ordinary dividend: 35 yen)	31 yen (ordinary dividend: 31 yen)	28 yen (ordinary dividend: 25 yen) (commemorative dividend: 3 yen)
Total dividend amount	4,191 million yen	-	3,353 million yen
Effective date	April 27, 2018	-	April 28, 2017
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 Sixth

Medium-Term Business Plan (for the period between the fiscal year ended January 2018 and the fiscal year ended January 2020), we intend to "increase dividends every fiscal year compared to previous year and target a consolidated total shareholder return of 55%."

Having recently reviewed the performance the Group made in the full fiscal year of the term ended January 2018, we decided to further add 4 yen of the ordinary dividend to the forecasted year-end dividend, with the resulting amount being 35 yen per share.

As a result, the annual dividend for the term ended January 2018 will total 66 yen per share, a per share increase by 13 yen from the previous year.

[Reference #1: Breakdown of annual dividend]

Record date	Dividend per share (yen)		
	2Q-end	Year-end	Annual
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)
January 31, 2018	31 yen (ordinary dividend: 31 yen)	35 yen (ordinary dividend: 35 yen)	66 yen (ordinary dividend: 66 yen)

[Reference #2: Forecasted annual dividend for the year ending January 31, 2019]

With respect to the expected annual dividend for the term ending January, 2019, 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 plan to pay 68 yen per share, which, in actual terms, will mean an increase of 2 yen from the previous term. Please refer to the details below.

Record date	Dividend per share (yen)		
	2Q-end	Year-end	Annual
January 31, 2019 (forecast)	34 yen (ordinary dividend: 34 yen)	34 yen (ordinary dividend: 34 yen)	68 yen (ordinary dividend: 68 yen)