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Pigeon Corporation

Notice of the 56th Ordinary General Meeting of Shareholders

Securities Code: 7956
April 3, 2013

Dear Shareholders,

Pigeon Corporation (the “Company”) cordially invites you to attend the 56th 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. After reading the Reference Documents for the General Meeting of Shareholders provided herewith, please indicate whether you approve or disapprove each proposal on the enclosed Voting Form and return it to the Company by 5:15 p.m., Wednesday, April 24, 2013 (JST).

Sincerely yours,

Akio Okoshi
President and COO
Pigeon Corporation
4-4, Nihonbashi-Hisamatsu-cho,
Chuo-ku, Tokyo

Meeting Information

1. Date and Time:

Thursday, April 25, 2013, at 10:00 a.m. (JST)

2. Place:

Arcadia Ichigaya, 3F, “Fuji-no-ma”
2-25, Kudan-kita 4-chome, Chiyoda-ku, Tokyo

3. Purpose of the Meeting

Matters to Be Reported:

- a. Business Report and Consolidated Financial Statements for the 56th Fiscal Year (from February 1, 2012 to January 31, 2013), as well as the audit reports of the Independent Auditors and the Board of Corporate Auditors on Consolidated Financial Statements
- b. Non-Consolidated Financial Statements for the 56th Fiscal Year (from February 1, 2012 to January 31, 2013)

Matters to Be Resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of One (1) Director

Proposal 3: Election of One (1) Corporate Auditor

Proposal 4: Payment of Retirement Benefits to Retiring Directors

Proposal 5: Payment of Retirement Benefits to Retiring Corporate Auditor and Final Payment of Retirement Benefits to Corporate Auditor Associated with Abolishment of Retirement Benefits System for Corporate Auditors

Notes:

- * You are kindly requested to present 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 our website (<http://www.pigeon.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

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

Year-end dividends

The Company regards 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/or other means, while reinforcing our financial position based on considerations of medium-term changes in business conditions and the Pigeon Group's business strategies. With respect to specific goal on the shareholder return, pursuant to our Fourth Medium-Term Business Plan [from the 55th Fiscal Year (the year ended January 31, 2012) through the 57th Fiscal Year (the year ending January 31, 2014)] announced in March 2011, we are aiming to maintain a total shareholder return ratio of over 50% on a consolidated basis. In order to achieve this goal, we are seeking to further strengthen and upgrade measures for returning profits to the shareholders. Based on this policy, 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:	¥71
Total amount of dividends:	¥1,420,956,512

As we have already paid an interim cash dividend of ¥44 per common share of the Company, the total annual dividend will be ¥115 per common share of the Company, which is ¥27 increase from the previous fiscal year.

3. Effective date of distribution of dividends from surplus: April 26, 2013

Proposal 2: Election of One (1) Director

Directors Seiichi Matsumura, Kazuhiko Ota and Hiroki Yuda will retire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of one (1) director as their substitute.

The candidate for director is as follows:

Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
Yasunori Kurachi (December 25, 1959)	March	1982	Joined the Company
	October	2004	Block Manager of North Japan Block, Domestic Sales Div.
	January	2006	Managing Officer and Division Manager of Marketing Div.
	January	2008	Managing Officer and Deputy Division Manager of Domestic Baby & Mother Care Business Div.
	April	2011	Managing Officer and Division Manager of Domestic Baby & Mother Care Business Div. (current position)
			1,300

- Notes: 1. There is no special interest between the candidate and the Company.
2. The term of office of a director elected as a substitute is stipulated in the Company's Articles of Incorporation to be until the expiration of the scheduled term of office of incumbent directors.

Proposal 3: Election of One (1) Corporate Auditor

Corporate auditor Katsumi Oyabu will retire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of one (1) corporate auditor as his substitute.

With respect to this proposal, the Company has obtained the consent of the Board of Corporate Auditors.

The candidate for corporate auditor is as follows:

Name (Date of Birth)	Career Summary, Position in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held	
Hiroki Yuda (October 10, 1955)	March	1979	Joined the Company	8,200
	February	2001	General Manager of Tokyo Metropolitan Area Sales Dept., Domestic Sales Div.	
	December	2001	Branch Manager of Osaka Branch, Domestic Sales Div.	
	January	2003	Block Manager of West Japan Block, Domestic Sales Div.	
	January	2006	Managing Officer and Division Manager of Domestic Sales Div.	
	January	2008	Managing Officer and Division Manager of Domestic Baby & Mother Care Business Div.	
	April	2011	Director and Supervision of Health & Elder Care Business Div.	
	April	2012	Director, Junior Managing Executive Officer and Supervision of Health & Elder Care Business Div. (current position)	

- Notes: 1. There is no special interest between the candidate and the Company.
2. The term of office of a corporate auditor elected as a substitute is stipulated in the Company's Articles of Incorporation to be until the expiration of the scheduled term of office of retiring corporate auditor.

Proposal 4: Payment of Retirement Benefits to Retiring Directors

The Company hereby proposes the payment of retirement benefits to Mr. Seiichi Matsumura, Mr. Kazuhiko Ota and Mr. Hiroki Yuda, who will retire as director as of the conclusion of the Meeting, in order to reward them for their service while in office, in accordance with the Company's "Rules on Retirement Benefits for Directors and Corporate Auditors."

Mr. Seiichi Matsumura joined the Company in March 1969 and assumed the position of President and COO of the Company in April 2000. During his seven (7) years as President and COO, Mr. Matsumura vigorously promoted global operations at the Pigeon Group by expanding the business not only in Japan but also overseas, primarily through new business initiatives in China and North America. In order to reward Mr. Matsumura for this achievement, the Company proposes to pay him an additional special merit bonus.

<Reference: Mr. Seiichi Matsumura's record of achievements>

- 2000: Pigeon Manaka Co., Ltd. established and elder care service business started
- 2002: *Bonyu-jikkan* nursing bottle launched
- 2002: Pigeon (Shanghai) Co., Ltd. established in China and Chinese operations started
- 2002: PHP Hyogo Co., Ltd. brought into Pigeon Group and production structure for non-woven fabric products strengthened
- 2004: Lansinoh Laboratories, Inc. brought into Pigeon Group and North American operations started
- 2004: Pigeon Tahira Co., Ltd. brought into Pigeon Group and healthcare business aimed at institutions strengthened
- 2004: Fully contracted out operation of nursery schools in hospitals of the National Hospital Organization started
- 2006: Pigeon Manufacturing (Shanghai) Co., Ltd. established and production operations in China started

Mr. Kazuhiko Ota and Mr. Hiroki Yuda will also retire as directors. Mr. Ota worked tirelessly to boost the business performances of our operations overseas and in Japan, while Mr. Yuda worked tirelessly to boost the business performance of our operations in Japan.

The Company also proposes that the determination of the details of payment such as the timing and method be delegated to the Board of Directors.

The specific amount of payment and career summary of the retiring directors are as follows:

Name	Amount (¥ thousand)	Career Summary	
Seiichi Matsumura	112,926	April 1992	Director of the Company
		April 1996	Managing Director
		April 1998	Senior Managing Director
		April 2000	President and COO
		April 2007	Chairman and CEO
		April 2012	Chairman of the Board and CEO (current position)
Kazuhiko Ota	20,867	April 2006	Director of the Company
		April 2007	Managing Director
		April 2012	Director and Managing Executive Officer (current position)
Hiroki Yuda	3,584	April 2011	Director of the Company
		April 2012	Director and Junior Managing Executive Officer (current position)

- Notes: 1. Total amount of the retirement benefits mentioned above is ¥137,377 thousand.
2. Mr. Seiichi Matsumura and Mr. Kazuhiko Ota will retire from office in accordance with the Company's internal regulations, which prescribe the mandatory retirement age of directors and corporate auditors.

Proposal 5: Payment of Retirement Benefits to Retiring Corporate Auditor and Final Payment of Retirement Benefits to Corporate Auditor Associated with Abolishment of Retirement Benefits System for Corporate Auditors

The Company hereby proposes the payment of retirement benefits to Mr. Katsumi Oyabu, who will retire as corporate auditor as of the conclusion of the Meeting, in order to reward him for his service while in office, in accordance with the Company's "Rules on Retirement Benefits for Directors and Corporate Auditors."

During his six (6) years as corporate auditor, Mr. Katsumi Oyabu helped to improve the corporate governance of the Company. Mr. Oyabu also worked tirelessly to strengthen the internal control and compliance structure of the Pigeon Group by fulfilling his role in supervising management as a corporate auditor.

The Company also proposes that the determination of the details of payment such as the timing and method be delegated to deliberation by the corporate auditors.

The specific amount of payment and career summary of the retiring corporate auditor are as follows:

Name	Amount (¥ thousand)	Career Summary	
Katsumi Oyabu	10,091	April 2007	Standing Corporate Auditor of the Company (current position)

Note: Mr. Katsumi Oyabu will retire from office in accordance with the Company's internal regulations, which prescribe the mandatory retirement age of directors and corporate auditors.

As part of a review of its remuneration system for directors and corporate auditors, the Company resolved at a meeting of the Board of Directors held on March 4, 2013 to abolish the retirement benefits system for corporate auditors as of the conclusion of the Meeting. The consent of all of the corporate auditors has been obtained regarding the abolishment. As a result of this move, the Company proposes to make a final payment of retirement benefits to corporate auditor Yasushi Takashima for his year of service ending as of the conclusion of the Meeting, in accordance with the Company's "Rules on Retirement Benefits for Directors and Corporate Auditors."

The Company also proposes that the timing of payment shall be his retirement as corporate auditor and the determination of the details of payment such as the method be delegated to deliberation by the corporate auditors.

The specific amount of payment and career summary of the relevant corporate auditor are as follows:

Name	Amount (¥ thousand)	Career Summary	
Yasushi Takashima	993	April 2012	Standing Corporate Auditor of the Company (current position)

<Reference>

The Company's remuneration for directors and corporate auditors

The Company's remuneration for directors and corporate auditors is determined based on the following policy within an upper limit resolved at the General Meeting of Shareholders.

Remuneration for directors is comprised of basic remuneration linked to business performance and retirement benefits. The amount of basic remuneration is determined on the basis of the consolidated business performance (consolidated net sales and consolidated operating income) achieved by the Pigeon Group in each fiscal year.

Retirement benefits are calculated in accordance with the Company's "Rules on Retirement Benefits for Directors and Corporate Auditors," and from the Meeting, proposals shall be submitted with each

amount to be paid clearly specified. The calculation method is in accordance with standards prescribed in the said rules, thus ensuring consistency in the calculations.

Retirement benefits for corporate auditors are to be abolished and remuneration for corporate auditors is to be limited to a fixed amount effective from the conclusion of the Meeting, in order to further safeguard their independence from the management of the Company. There is no retirement benefits system in place for outside corporate auditors.