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March 8, 2021

To our shareholders:

Norimasa Kitazawa,  
President and CEO  
**Pigeon Corporation**  
4-4, Nihonbashi-Hisamatsu-cho,  
Chuo-ku, Tokyo

## **Notice of the 64th Ordinary General Meeting of Shareholders**

Pigeon Corporation (the "Company") is pleased to announce the 64th Ordinary General Meeting of Shareholders of Pigeon Corporation (the "Meeting"). The details of the Meeting are provided below.

Instead of attending the Meeting in person, you may exercise your voting rights in writing or electronically (via the internet, etc.). After reviewing the Reference Documents for the General Meeting of Shareholders provided herewith, please exercise your voting rights through either of the methods described in page 3 by 5:15 p.m., Monday, March 29, 2021 (JST).

- 1. Date and Time:** Tuesday, March 30, 2021, at 10:00 a.m. (JST)
- 2. Place:** Royal Park Hotel, 3F, Royal Hall  
1-1, Nihonbashi-Kakigara-cho 2-chome, Chuo-ku, Tokyo

### **3. Purpose of the Meeting**

#### **Matters to be reported**

1. Business Report and Consolidated Financial Statements for the 64th Fiscal Year (from January 1, 2020 to December 31, 2020), as well as the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 64th Fiscal Year (from January 1, 2020 to December 31, 2020)

#### **Matters to be resolved**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of One (1) Audit & Supervisory Board Member
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

#### **4. Exercise of Voting Rights**

Please be informed that if voting rights are exercised both in writing and by the internet, etc., the contents of the votes by the internet, etc. shall be deemed valid.

If voting rights are exercised multiple times via the internet, etc., the final vote cast will be considered effective. (However, this is restricted to the votes cast before the deadline for the exercise of voting rights.)

- You are kindly requested to submit 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 the Company's corporate website (<https://www.pigeon.co.jp/>).
- Pursuant to the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation, the following items are posted on the Company's corporate website (<https://www.pigeon.co.jp/>) and not contained in the documents provided with this notice; however, those items were audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit reports in the same manner as the documents provided with this notice.
  - (1) Notes to consolidated financial statements
  - (2) Notes to non-consolidated financial statements

## **Guidance for Methods of Exercise of Voting Rights**

### **In case you are attending the Meeting**

Please submit the enclosed Voting Form to a receptionist at the meeting venue.

**Date and time:** **Tuesday, March 30, 2021, at 10:00 a.m. (JST)**  
(Reception starts at 9:00 a.m.)

**Place:** **Royal Park Hotel, 3F, Royal Hall**

### **In case you are exercising voting rights in writing**

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Form and return it to us by mail.

If you do not indicate your approval or disapproval for a proposal, you will be assumed to have approved the proposal.

**Exercise deadline:** **No later than 5:15 p.m. on Monday, March 29, 2021 (JST)**

### **In case you are exercising voting rights via the internet, etc.**

Please access <https://evote.tr.mufg.jp/>, log in using the Login ID and Temporary Password indicated on the enclosed Voting Form and indicate your approval or disapproval by following the instructions on the screen.

\* For details, please contact the Help Desk provided below.

**Exercise deadline:** **No later than 5:15 p.m. on Monday, March 29, 2021 (JST)**

\* Please note that votes cannot be accepted daily from 2:00 a.m. to 5:00 a.m.

#### **Inquiries related to systems, etc.**

**Mitsubishi UFJ Trust and Banking Corporation**  
**Stock Transfer Agency Division (Help Desk)**

Phone: 0120-173-027 (toll-free, within Japan)

Hours: 9:00 a.m. to 9:00 p.m. (JST)

## 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 views 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 other means, while reinforcing our financial position by taking into consideration the medium-term changes in business conditions and the Pigeon Group's business strategies. Pursuant to our Seventh Medium-Term Business Plan (from the year ended December 31, 2020 through the year ending December 31, 2022), we have listed "year-on-year increases in cash dividends in each fiscal period" and "a total shareholder return ratio of 55% on a consolidated basis" as our goals.

Based on the above 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: ¥36

Total amount of dividends: ¥4,311,374,616

#### 3) Effective date of distribution of dividends from surplus:

March 31, 2021

<Reference>

Record date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
December 31, 2019	¥35	¥35	¥70
December 31, 2020	¥36	¥36	¥72

\* The annual dividend per share for the year ended December 31, 2020 is ¥72, an increase of ¥2 compared to the previous year.

## Proposal 2: Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Mr. Kazuhisa Amari will resign as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of one (1) Audit & Supervisory Board Member as his substitute.

With respect to this proposal, the Company has obtained the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

	<b>Hiroshi Nishimoto</b> (February 10, 1962)	New appointment
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### Career Summary and Position in the Company

July 1985	Joined the Company	
Jan. 2014	General Manager of Logistics Dept., Logistics Div.	Number of the Company's common shares held:
Jan. 2016	Managing Officer, Division Manager of Logistics Div. and General Manager of Procurement Dept.	0 shares
Jan. 2017	Managing Officer and Division Manager of Logistics Div.	
Dec. 2020	Managing Officer and Assistant to Head of Japan Operations of Administration Div. (current position)	

### Notable Concurrent Positions

None.

### Reasons for Nomination as Candidate for Audit & Supervisory Board Member

Mr. Hiroshi Nishimoto has been involved in the sales, procurement, and logistics departments for many years and has abundant experience and a wealth of knowledge in the logistics field. Furthermore, he is very familiar with overall management through his broad involvement with key processes in the Company's management strategy, including leading the supply chain management strategy mainly through being deeply engaged in the introduction of the Enterprise Resource Planning (ERP) platform that began operations in 2019.

In light of such experience, the Company deems that he has adequate talent to perform the role of Audit & Supervisory Board Member.

- Notes:
1. There is no special interest between the candidate and the Company.
  2. The term of office of the candidate shall be until the expiration of the scheduled term of office of the resigning Audit & Supervisory Board Member as stipulated in the Company's Articles of Incorporation.
  3. If this proposal is approved and adopted, and the candidate takes office as Audit & Supervisory Board Member, the Company plans to enter into a limited liability contract with the candidate which limits his liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act and the Articles of Incorporation. The limit of liability for damages pursuant to the limited liability contract is the aggregate sum of the amounts prescribed in each item in Article 425, paragraph (1) of the Companies Act.
  4. The Company has concluded an officer liability limitation agreement with an insurance company in accordance with Article 430-3, paragraph (1) of the Companies Act. The liability limitation agreement covers damages incurred when an insured person receives a claim for compensation for damages originating in the execution of their duties as an officer and bears legal responsibility for the compensation for damages. If this proposal is approved and adopted, and the candidate takes office as Audit & Supervisory Board Member, the candidate will be included as an insured person in the liability limitation agreement.

**Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member**

In order to prepare for a possible situation in which the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member. The period of validity for the election of the substitute Audit & Supervisory Board Member elected in this proposal shall be the same as other substitute Audit & Supervisory Board Members.

Ms. Hiroko Noda’s election is being requested as a substitute for current Outside Audit & Supervisory Board Member Mr. Koichi Otsu. For the order of appointment, Ms. Hiroko Noda will be appointed first, and Ms. Sachiko Omuro, who has already been elected, will be appointed second.

This election may be rescinded by a resolution at the Board of Directors with the consent of the Audit & Supervisory Board only prior to taking office.

With respect to this proposal, the Company has obtained the consent of the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows:

	<p><b>Hiroko Noda</b> (July 3, 1960)</p>	<div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px; width: fit-content; margin-bottom: 5px;">New appointment</div> <div style="background-color: #888; color: white; padding: 2px; width: fit-content; margin-bottom: 5px;">Outside</div> <div style="background-color: #666; color: white; padding: 2px; width: fit-content;">Independent</div>
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**Career Summary**

Apr. 1987	Joined Minato Audit Corp. (currently known as KPMG AZSA LLC)	
Aug. 1987	Joined Prudential Securities Incorporated Tokyo Branch	
Mar. 1990	Registered as a certified public accountant Representative of Noda Certified Public Accountant Office (current position)	
Aug. 1992	Joined Indosuez Bank S.A. Tokyo Branch (currently known as Crédit Agricole Corporate and Investment Bank and Crédit Agricole Securities Asia BV)	
June 2000	Joined Canadian Imperial Bank of Commerce Tokyo Branch	Number of the Company’s common shares held: 0 shares
July 2006	Joined BUSICOM Co., Ltd.	
Sept. 2007	Representative Director of Prominent Consulting Co., Ltd.	
May 2010	Established Probitry Consulting Co., Ltd., Representative Director of Probitry Consulting Co., Ltd. (current position)	
Apr. 2014	Part-time Lecturer of Graduate School of Asian and International Business Strategy, Asia University (current position)	
Mar. 2019	Outside Director of MODEC, Inc. (current position) Outside Director and Audit & Supervisory Committee Member of Okabe Co., Ltd. (current position)	

**Notable Concurrent Positions**

- Representative of Noda Certified Public Accountant Office
- Representative Director of Probitry Consulting Co., Ltd.
- Outside Director of MODEC, Inc.
- Outside Director and Audit & Supervisory Committee Member of Okabe Co., Ltd.

### **Reasons for Nomination as Candidate for Substitute Outside Audit & Supervisory Board Member**

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Ms. Hiroko Noda is a certified public accountant and has an advanced knowledge as an expert in accounting, investment, and management strategy. Furthermore, in addition to her experience in the position of head of accounting at foreign companies, she has established and managed her own company, supported the building of internal controls at a wide range of companies from listed companies to small-to-mid-sized companies, and is reenergizing the accounting department. The Company expects her to provide expert, highly objective advice and recommendations based on her advanced knowledge and abundant experience, and deems that she is capable of performing duties as an Outside Audit & Supervisory Board Member.

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- Notes:
1. There is no special interest between the candidate and the Company.
  2. The Company has no transactional relationship with Noda Certified Public Accountant Office, Probity Consulting Co., Ltd., Asia University, MODEC, Inc. or Okabe Co., Ltd., at which the candidate has concurrent positions.
  3. If this proposal is approved and adopted, and the candidate takes office as Outside Audit & Supervisory Board Member, she will be designated as independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE), and the Company plans to notify the TSE to that effect.
  4. If this proposal is approved and adopted, and the candidate takes office as Outside Audit & Supervisory Board Member, the Company plans to enter into a limited liability contract with the candidate which limits her liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act and the Articles of Incorporation. The limit of liability for damages pursuant to the limited liability contract is the aggregate sum of the amounts prescribed in each item in Article 425, paragraph (1) of the Companies Act.
  5. The Company has concluded an officer liability limitation agreement with an insurance company in accordance with Article 430-3, paragraph (1) of the Companies Act. The liability limitation agreement covers damages incurred when an insured person receives a claim for compensation for damages originating in the execution of their duties as an officer and bears legal responsibility for the compensation for damages. If this proposal is approved and adopted, and the candidate takes office as Outside Audit & Supervisory Board Member, the candidate will be included as an insured person in the liability limitation agreement.

## Reference: Policy and system for corporate governance

### (1) Basic policy for corporate governance

The Company has developed the “Pigeon Way,” as described below, comprising its Purpose, Values, Action Principles and Vision, under its Corporate Philosophy of “Love” and its Credo of “Only love can beget love,” as the basis of its spirit and actions to be shared by all Pigeon Group employees, both in Japan and abroad.

The “Pigeon Way” is more than a mere slogan. The Company believes that having all employees become strongly aware of the “Pigeon Way” and putting it into action will inevitably improve corporate value, and that its corporate value encompasses both social and economic value. We are aiming to achieve the goal of improving social value mainly by becoming an indispensable part of society, while delivering joy and happiness to our target customers, by providing solutions and new value. The Company established the following six (6) priority materialities (Key Issues) to be addressed in terms of Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG); 1) enhancement of business competitiveness and R&D capabilities, 2) sustainable reduction of environmental impact, 3) enhancement of stakeholder support capability, 4) improvement of the quality of human resources, 5) creation of comfortable working environment, and 6) development of a solid management base, all of which will be incorporated into our business strategies. Meanwhile, we are aiming to achieve the goal of improving economic value mainly by increasing free cash flow consistently, efficiently, and strategically, as we move into the future.

Based on this approach, the Company defines corporate governance as “the system that pays due respect to the views of our employees, customers, business partners, shareholders and local communities, and that ensures transparent and fair as well as prompt and bold decision-making” and the purpose of corporate governance as the means to achieving “the Company’s sustained growth and the improvement of corporate value in the medium- to long-term.”

The Company will continue to further strengthen this system in accordance with the above definition and make efforts to continuously enhance its corporate governance in pursuit of further improving its corporate value.

## Pigeon Way



### Corporate Philosophy

Love

### Credo

Only love can beget love

### Vision

To be the baby product manufacturer most trusted by the world’s babies and families, “Global Number One”

### Purpose

We want to make the world more baby-friendly by furthering our commitment to understanding and addressing babies’ unique needs

### Values

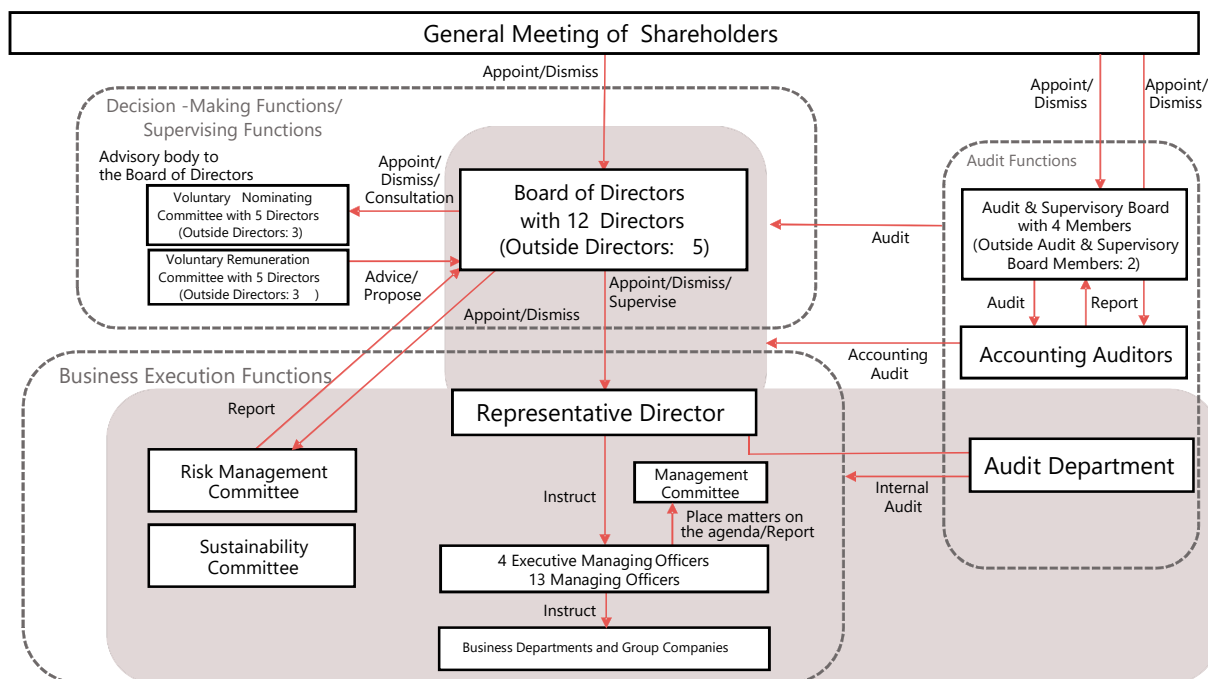
- Integrity
- Communication, Consent, Trust
- Passion

### Action Principles

- Agility
- Keep sight of consumers
- Global collaboration among competent individuals
- Leadership and logical working style
- Willingness to change



(2) Corporate Governance Structure (As of December 31, 2020)



(3) Board of Directors

The Company's Board of Directors makes decisions on matters that are to be solely determined by the Board of Directors, based on laws and regulations and the Articles of Incorporation, as well as important matters stipulated in the "Board of Directors Rules," and receives reports on matters stipulated by these rules.

The Board of Directors is attended by Internal Directors, Outside Directors and Audit & Supervisory Board Members, and while seeking partnership between business execution functions, decision-making/supervising functions and audit functions, it responds promptly and appropriately to changes in the business environment and makes management decisions rationally and effectively to establish sustained growth and a solid operating foundation. By operating the Board of Directors in a way that elicits lively opinions from Outside Directors, the Company works to ensure the enhancement of corporate governance and the appropriateness of decision making through Outside Directors' advice, etc., on the Company's management strategies.

Furthermore, the results of evaluations of the effectiveness of the Board of Directors for the current fiscal year are shown below. Focusing on the issues identified for the current fiscal year, we will continually consider and work on the necessary responses to maintain and improve the effectiveness of the Board of Directors.

- 1) Issues identified at the evaluation of the effectiveness of the Board of Directors implemented in 2019
  - i) From the standpoint of improving the operations of the Board of Directors, we secured adequate time for deliberation by distributing and giving explanations of report materials in advance, as well as by reducing report time on the day of a Board of Directors meeting, and revised matters on the agenda, etc. for the Board of Directors by amending the "Board of Directors Rules," etc. Furthermore, ii) from the standpoint of providing training opportunities for Directors and Audit & Supervisory Board Members, we provided for training Directors and Audit & Supervisory Board Members centered on corporate governance and finance and held explanation sessions about our businesses.
- 2) Methods used in the evaluation of the effectiveness of the Board of Directors implemented in 2020
 

A Self-evaluation questionnaire or interview was conducted for every Director and Audit & Supervisory Board Member, and the Board of Directors performed a review and held discussions based on the results of the questionnaires, etc. that were collected and analyzed by the secretariat. The questionnaires, etc. included questions on the role and function of the Board of Directors, the composition and size of the Board of Directors etc., the operation of the Board of Directors, coordination with auditors, communication with the management, and engagement with shareholders and investors.

3) Results of the evaluation of the effectiveness of the Board of Directors implemented in 2020 and future efforts

Some improvements from the results of 2019 were observed in the operation of the Board of Directors and the provision of training opportunities for Directors and Audit & Supervisory Board Members. Also, it was confirmed that the Board of Directors are making effective decisions through open and lively discussion and playing an influential role in improving medium- to long-term corporate value. Meanwhile, the need to further enhance efforts towards ensuring the internal control system's effectiveness and coordination with auditors was identified.

(4) Status of audit system and audits

Audit & Supervisory Board Members, the Internal Audit Department, and Accounting Auditors mutually collaborate by holding regular debriefing sessions and at any time as necessary, exchanging information and opinions.

In accordance with the audit policy, the division of work, etc., the Audit & Supervisory Board consisting of four (4) Audit & Supervisory Board Members, which includes two (2) Outside Audit & Supervisory Board Members, conducts rigorous auditing through measures such as attending important meetings including those of the Board of Directors, giving an audience to Directors, viewing important resolution documents and other documentation, and investigating the status of operations and property. In addition, by receiving reports from the Representative Directors on matters such as important company issues and giving feedback from the Audit & Supervisory Board Members regarding information and the like heard from within the Company, it carries out exchanges of opinions regularly.

Furthermore, an Audit Department under the direct control of the President and CEO was established as the Internal Audit Department, which regularly implements internal audits on the Company and its domestic and overseas Group companies from the perspective of confirming operational effectiveness, efficiency, compliance, and asset preservation. Audit results are reported to all Directors and Audit & Supervisory Board Members, and suggestions for improvement and follow-ups are implemented.

(5) Voluntary Nominating Committee and Executive Nomination Policy

The Company has established a Voluntary Nominating Committee as an advisory body to the Board of Directors to enhance the independence, objectivity, and transparency of the appointment/dismissal and nomination decision-making processes for Directors and the Chief Executive Officer (CEO). The chairman and the majority of members of the committee are Independent Outside Directors. The Voluntary Nominating Committee deliberates on the appointment/dismissal criteria for Directors and the CEO and the CEO successor plan, etc., and provides advice and proposals to the Board of Directors.

In addition, the Company has formulated its Executive Nomination Policy, and established the personnel requirements for the CEO and the appointment/dismissal criteria for Directors and the CEO. The Company requires our CEO to be "human resources who can refine human power and continue increasing corporate value (social value and economic value) under the values of Pigeon Way." Furthermore, we have established detailed personnel requirements from the standpoints of responsibility and authority, the main job responsibilities and expected results, and the required capabilities (behavioral traits, personality traits, experience and performance, knowledge and skills). The behavioral traits are provided below.

- 1) Transformative leadership
- 2) Creating and disseminating a vision and corporate culture
- 3) Envisioning, planning and executing strategy
- 4) Developing human resources and organizations
- 5) Building corporate governance

Furthermore, the dismissal criteria for Directors and the CEO are provided below.

- 1) Where corrupt, unjust, or disloyal actions are suspected
- 2) Where a lack of qualifications is recognized, such as a legal violation
- 3) Where the process or results of the execution of duties is insufficient, or where it is deemed inappropriate to have the individual continue to perform duties
- 4) Where ROE has fallen below 5% for three (3) consecutive fiscal years (only for the CEO)

Details of the Company's Executive Nomination Policy are provided on the Company's corporate website:

[https://www.pigeon.com/sustainability/files/pdf/Executive\\_nomination\\_policy.pdf](https://www.pigeon.com/sustainability/files/pdf/Executive_nomination_policy.pdf)

#### (6) Voluntary Remuneration Committee and Executive Remuneration Policy

In order to increase the independence, objectivity, and transparency of the executive remuneration system, the Company has established a Voluntary Remuneration Committee as an advisory body to the Board of Directors. The chairman and the majority of members of the committee are Independent Outside Directors. The Voluntary Remuneration Committee deliberates on the need for revisions to the Executive Remuneration Policy, the individual level of executive remuneration (base amount by position), the performance targets and evaluation table for bonuses, and the performance evaluations and amounts of individual payments for the bonuses and stock remuneration paid in the previous fiscal year, and provides advice and proposals to the Board of Directors.

In addition, the Company has formulated its Executive Remuneration Policy, and established the basic policy and remuneration structure for executive remuneration. Specifically, 1) it should contribute to "management that improves the corporate value" of the Group over the medium to long term; 2) it should contribute to the hiring of talented managers toward the achievement of "Global Number One," based on the "Pigeon Way"; and 3) the remuneration system should be highly independent, objective, and transparent, and accountable to stakeholders. The details of remuneration structure and payments are provided on the next page.

[Directors of the Company (excluding Independent Outside Directors)]

The remuneration consists of basic remuneration (60%), bonuses (20%), and stock remuneration (20%), and the specific payment details and methods are described below.

Remuneration type	Overview of specific payment details and methods
Basic remuneration	<ul style="list-style-type: none"> <li>• Monetary amounts are decided by position and paid as monthly remuneration</li> </ul>
Bonuses	<ul style="list-style-type: none"> <li>• Bonuses are paid as incentives (short-term incentives) according to the Group's consolidated performance and the performance of the Director's respective departments each fiscal year</li> <li>• Bonuses range from 0 to 150% based on the achievement level of targeted net sales, operating income, and PVA (Pigeon Value Added) (the valuation ratio for each indicator is 50%, 30%, and 20%, respectively)</li> <li>• The Chairman of the Board, President and CEO, and Director responsible for GHO are evaluated only on consolidated performance, with other Directors evaluated 70% for consolidated performance and 30% for the performance of their respective departments</li> </ul>
Stock remuneration	<ul style="list-style-type: none"> <li>• Stock remuneration consists of 60% performance-linked remuneration and 40% non-performance-linked remuneration.</li> </ul> <p>&lt;Performance-linked remuneration&gt;</p> <p>Stock remuneration is paid as an incentive to improve the Group's medium- to long-term company performance and corporate value. Based on the level of achievement of the targeted performance indicators (consolidated net sales CAGR, EPS growth rate, ROE and TSR [Total Shareholder Return]) and non-financial indicators (sustainable reduction of environmental impact, development of products and services that help solve social issues, and engaging in dialogue with shareholders and investors in a responsible manner), stock remuneration ranges from 0 to 150% (the valuation ratio is 80% for the performance indicators and 20% for the non-financial indicators)</p> <p>&lt;Non-performance-linked remuneration&gt;</p> <p>From the same-boat perspective, a fixed number of shares to be allocated as stock remuneration</p> <ul style="list-style-type: none"> <li>• Stock remuneration is allocated through a trust-based stock remuneration system. This system grants points to Directors (excluding Independent Outside Directors) each year, and issues shares in the Company corresponding to the number of points from the trust at the time of retirement</li> </ul>

Furthermore, where the Board of Directors resolves to make subsequent revisions to the financial results due to material accounting mistakes or fraud, or, where the Board of Directors, etc., deems that a Director (excluding Independent Outside Directors) has violated the duty of due care or the duty of loyalty, or has otherwise committed a material breach of duty of other laws and regulations or contracts during their term, the Board of Directors will advise the Voluntary Remuneration Committee, which will deliberate on the need for the Director in question to forfeit all or part of their rights to receive bonuses and stock remuneration, or to demand that the Director return all or part of any bonuses and stock remuneration that they have already received, and will offer advice and proposals on those results to the Board of Directors. The Board of Directors will respect the contents of this advice and proposals to the greatest extent possible and will resolve whether to demand that the Director in question forfeit all or part of their rights to receive bonuses and stock remuneration or return all or part of any bonuses and stock remuneration that they have already received.

[Independent Outside Directors and Audit & Supervisory Board Members]

The remuneration for Independent Outside Directors and Audit & Supervisory Board Members consists of basic remuneration only.

Details of the Company's Executive Remuneration Policy are provided on the Company's corporate website: [https://www.pigeon.com/sustainability/files/pdf/Executive\\_remuneration\\_policy.pdf](https://www.pigeon.com/sustainability/files/pdf/Executive_remuneration_policy.pdf)