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Pigeon Corporation

Notice of the 61st Ordinary General Meeting of Shareholders

April 4, 2018

Dear Shareholders,

Pigeon Corporation (the “Company”) cordially invites you to attend the 61st 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 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., Wednesday, April 25, 2018 (JST).

Sincerely yours,

Shigeru Yamashita
President and COO
Pigeon Corporation
4-4, Nihonbashi-Hisamatsu-cho,
Chuo-ku, Tokyo

Meeting Information

1. Date and Time:

Thursday, April 26, 2018, 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:

- a. Business Report and Consolidated Financial Statements for the 61st Fiscal Year (from February 1, 2017 to January 31, 2018), as well as the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
- b. Non-Consolidated Financial Statements for the 61st Fiscal Year (from February 1, 2017 to January 31, 2018)

Matters to Be Resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Eleven (11) Directors
Proposal 3: Election of One (1) 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.)

Notes:

- * 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 website (<https://www.pigeon.co.jp/>).
- * Pursuant to the provisions of laws and regulations and the Company's Articles of Incorporation, the following items are posted on the Company's 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 reception at the meeting venue.

Date and time: **Thursday, April 26, 2018, at 10:00 a.m. (JST)**
(Reception starts at 9:00 a.m.)

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

In case you are unable to attend the Meeting

Exercise of 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 Wednesday, April 25, 2018 (JST)

Exercise of voting rights via the Internet, etc.

Please refer to the Guidance for the Exercise of Voting Rights via the Internet, etc. (page 4) and indicate your approval or disapproval for each proposal.

Exercise deadline: No later than 5:15 p.m. on Wednesday, April 25, 2018 (JST)

Guidance for the Exercise of Voting Rights via the Internet, etc.

Method of exercise of 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.

Deadline for the exercise of voting rights via the Internet, etc.

No later than 5:15 p.m. on Wednesday, April 25, 2018 (JST)

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

- * The shareholder will pay the costs incurred when accessing the Internet voting website (including Internet access fees and communication expenses).
- * The Internet voting website may not be available in certain Internet settings.
- * For details, please contact the Help Desk provided below.

Login ID and Password

Please note that to prevent improper access (“impersonation”) or vote-altering by non-shareholders, you will be asked to change your Temporary Password on the Internet voting website. You will be notified of your new Login ID and Temporary Password every time a General Meeting of Shareholders is convened.

If you have exercised your voting rights more than once

If you have exercised your voting rights both in writing and via the Internet, etc.

Only the voting rights you exercised via the Internet, etc. will be considered effective.

If you have exercised your voting rights more than once via the Internet, etc.

Only the voting rights you exercised last will be considered effective. (However, this is restricted to the votes cast before the deadline for the exercise of voting rights.)

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.

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 Sixth Medium-Term Business Plan (from the year ended January 31, 2018 through the year ending January 31, 2020), 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: ¥35

Total amount of dividends: ¥4,191,640,495

3. Effective date of distribution of dividends from surplus:

April 27, 2018

<Reference>

Record date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
January 31, 2017	¥25.00 (Ordinary dividend: ¥22.00) (Commemorative dividend: ¥3.00)	¥28.00 (Ordinary dividend: ¥25.00) (Commemorative dividend: ¥3.00)	¥53.00 (Ordinary dividend: ¥47.00) (Commemorative dividend: ¥6.00)
January 31, 2018	¥31.00 (Ordinary dividend: ¥31.00)	¥35.00 (Ordinary dividend: ¥35.00)	¥66.00 (Ordinary dividend: ¥66.00)

* With regard to the dividends for the year ended January 31, 2017, the interim dividend and the year-end dividend were raised by ¥3 per share, respectively, as a commemorative dividend in celebration of the 60th anniversary of the Company's founding in addition to the ordinary dividend.

The annual dividend per share for the year ended January 31, 2018 is ¥66, an increase of ¥13 compared to the previous year (ordinary dividend and commemorative dividend).

Proposal 2: Election of Eleven (11) Directors

The terms of office of all ten (10) existing Directors will expire as of the conclusion of the Meeting. To further enhance corporate governance and improve corporate value, the Company has decided to increase the number of Outside Directors by one (1), and hereby proposes the election of eleven (11) Directors.

The candidates for Directors are as follows:

Candidate No.		Name			Current Position in the Company
1	Reappointment	Yoichi Nakata			Executive Advisor and Member of the Board
2	Reappointment	Akio Okoshi			Chairman of the Board and CEO
3	Reappointment	Shigeru Yamashita			President and COO
4	Reappointment	Norimasa Kitazawa			Vice President and Director
5	Reappointment	Eiji Akamatsu			Director, Senior Managing Executive Officer
6	Reappointment	Tadashi Itakura			Director, Managing Executive Officer
7	Reappointment	Yasunori Kurachi			Director, Junior Managing Executive Officer
8	Reappointment	Kevin Vyse-Peacock			Director, Junior Managing Executive Officer
9	Reappointment	Takayuki Nitta	Outside	Independent	Director
10	Reappointment	Rehito Hatoyama	Outside	Independent	Director
11	New appointment	Erika Okada	Outside	Independent	–

Reappointment Reappointed candidate for Director
 New appointment Newly appointed candidate for Director
 Outside Candidate for Outside Director
 Independent Candidate for an independent director based on provisions of the Tokyo Stock Exchange

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Yoichi Nakata (May 11, 1942)	April 1967 March 1969 May 1977 May 1983 April 2000 April 2007	Joined Mizuguchi Shoji Co., Ltd. Joined the Company, Vice President and Director Vice President and Representative Director President and COO Chairman and CEO Executive Advisor and Member of the Board (current position)	3,038,804
		<p>Notable Concurrent Positions None.</p> <p>Reasons for Nominating Him as a Candidate for Director Mr. Yoichi Nakata has led operations as a Director or representative director for more than 30 years from 1969 until April 2007. His accomplishments include formulating the Company's Corporate Philosophy, establishing the Joso Laboratory (now Central Laboratory) which acts as an R&D center for Pigeon Group, and establishing overseas manufacturing centers. He was also instrumental in making the Company public and making its transition from a privately held company. This experience and knowledge in corporate management, as well as his advice in terms of leading the Company in the right direction, are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities. Therefore, the Company has nominated him as a candidate to continue serving as Director.</p>		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
2	<p data-bbox="288 685 440 714"><u>Reappointment</u></p> <p data-bbox="288 748 475 801">Akio Okoshi (October 14, 1950)</p>	<p data-bbox="512 282 679 311">March 1969</p> <p data-bbox="512 315 679 344">September 1989</p> <p data-bbox="512 349 679 378">August 1998</p> <p data-bbox="512 405 679 434">August 2001</p> <p data-bbox="512 461 679 490">December 2001</p> <p data-bbox="512 495 679 524">April 2004</p> <p data-bbox="512 528 679 557">April 2006</p> <p data-bbox="512 562 679 591">April 2007</p> <p data-bbox="512 595 679 624">April 2013</p>	<p data-bbox="703 282 903 311">Joined the Company</p> <p data-bbox="703 315 1038 344">Vice President of Lite Corporation</p> <p data-bbox="703 349 1230 400">General Manager of Sales Dept., Industrial Material Div. of Plus Kogyo (currently known as J-Film Corp.)</p> <p data-bbox="703 405 1214 456">Deputy Division Manager of Administration Div. of the Company</p> <p data-bbox="703 461 879 490">Managing Officer</p> <p data-bbox="703 495 791 524">Director</p> <p data-bbox="703 528 895 557">Managing Director</p> <p data-bbox="703 562 895 591">President and COO</p> <p data-bbox="703 595 1198 624">Chairman of the Board and CEO (current position)</p>	12,100
		<p data-bbox="512 640 823 669">Notable Concurrent Positions</p> <p data-bbox="512 674 576 703">None.</p>		
		<p data-bbox="512 730 1110 759">Reasons for Nominating Him as a Candidate for Director</p> <p data-bbox="512 763 1230 1196">Mr. Akio Okoshi has abundant experience and accomplishments in reforming personnel systems and other aspects of human resources strategy. Acting as a Director with representative authority since 2007, he has spearheaded efforts that have involved formulating and executing the Third Medium-Term Business Plan and the Fourth-Medium Term Business Plan and has furthermore helped to increase the Company's corporate value by accelerating growth of Company operations through overseas business expansion and other initiatives. As Chairman of the Board as a non-executive Director, he appropriately manages the meetings of the Board of Directors and also provides suitable management oversight to achieve the long-term vision of the Company. This experience and knowledge in corporate management as well as qualities he has developed as Chairman of the Board are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the managerial talent necessary to spearhead efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.</p>		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Shigeru Yamashita (February 14, 1958)	March 1981 February 1997 July 2004 April 2007 April 2009 April 2011 April 2012 April 2013	Joined the Company President of Pigeon Industries (Thailand) Co., Ltd. President of Lansinoh Laboratories, Inc. Managing Officer Director Managing Director Director and Managing Executive Officer President and COO (current position)	83,936
		<p>Notable Concurrent Positions None.</p> <p>Reasons for Nominating Him as a Candidate for Director Mr. Shigeru Yamashita has abundant experience and accomplishments in building the growth platforms of manufacturing centers and sales companies overseas. Since taking up the position of President and COO in April 2013, he has enhanced the cohesiveness of the entire Pigeon Group by striving to achieve “world class business excellence,” by establishing “Pigeon Way” and by actively talking about this concept so that this concept permeates in Pigeon Group. He has also further increased the Company’s corporate value by taking various measures to help improve the quality of management, including the introduction of unique Pigeon Value Added (PVA) management benchmarks, which enabled the Company to receive the Grand Prix of the Corporate Value Improvement Award presented by the Tokyo Stock Exchange and the Porter Prize. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the managerial talent necessary to act as the COO to spearhead efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.</p>		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
4	<p style="text-align: center;"><u>Reappointment</u></p> <p>Norimasa Kitazawa (January 20, 1956)</p>	April 1979	Joined Aster Corporation	22,100
		September 1983	Joined the Company	
		April 1998	President of Pigeon Singapore Pte. Ltd.	
		May 2002	President of Pigeon (Shanghai) Co., Ltd.	
		January 2008	Managing Officer and Deputy Division Manager of Overseas Business Div. of the Company and President of Pigeon (Shanghai) Co., Ltd.	
		March 2011	Senior Managing Officer and Division Manager of China Business Div. of the Company and President of Pigeon (Shanghai) Co., Ltd.	
		April 2012	Director, Junior Managing Executive Officer and Division Manager of China Business Div. of the Company and President of Pigeon (Shanghai) Co., Ltd.	
		April 2013	Director, Managing Executive Officer, Division Manager of China Business Div. and Supervision of Overseas Business Div.	
		April 2014	Director, Senior Managing Executive Officer, Division Manager of China Business Div. and Supervision of Overseas Business Div.	
		March 2016	Vice President and Director, Division Manager of Overseas Business Div. and Division Manager of China Business Div. of the Company and Representative Director of Pigeon (Shanghai) Co., Ltd.	
January 2018	Vice President and Director, Supervision of China Business Div., Singapore Business Div. and Lansinoh Business Div. of the Company, and Representative Director of Pigeon (Shanghai) Co., Ltd. (current position)			
Notable Concurrent Positions		Representative Director of Pigeon (Shanghai) Co., Ltd.		
Reasons for Nominating Him as a Candidate for Director		<p>Mr. Norimasa Kitazawa has long played a leadership role in the management by acting as the representative director of overseas companies of Pigeon Group. He has promoted strategic market development of the Company in foreign countries, in which the Company is a new entrant, and particularly in China, he has successfully established business models to establish a sales company and two manufacturing companies. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the talent necessary to spearhead efforts that enable the Company to maximize its corporate value with a focus on China and other overseas markets. Therefore, the Company has nominated him as a candidate to continue serving as Director.</p>		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
5	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Eiji Akamatsu (October 3, 1958)	March 1982	Joined the Company	53,300
		May 2002	President of Pigeon Will Co., Ltd.	
		August 2006	General Manager of Child Care Service Business Div. of the Company and President of Pigeon Hearts Co., Ltd.	
		March 2007	Managing Officer and Division Manager of Child Care Service Business Div. of the Company and President of Pigeon Hearts Co., Ltd.	
		April 2011	Director, Division Manager of Child Care Service Business Div. and Supervision of Accounting & Finance Div.	
		April 2012	Director, Junior Managing Executive Officer, Division Manager of Human Resources & General Affairs Div. and Supervision of Accounting & Finance Div. and Child Care Service Business Div.	
		April 2013	Director, Managing Executive Officer and Supervision of Corporate Administration Div., Accounting & Finance Div. and Human Resources & General Affairs Div.	
		April 2014	Director, Senior Managing Executive Officer and Supervision of Corporate Administration Div., Accounting & Finance Div., Human Resources & General Affairs Div. and Audit Department (current position)	
		Notable Concurrent Positions		
		None.		
		Reasons for Nominating Him as a Candidate for Director		
		Mr. Eiji Akamatsu has acted as the representative director of two Pigeon Group companies in Japan, and has played a leadership role in promoting corporate governance and upgrading the Company's internal control systems since assuming the position of Director, Senior Managing Executive Officer in 2014. He has also implemented risk management practices and achieved the introduction of new accounting systems and the development of global human resources strategy for facilitating the management of Pigeon Group, among other things. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities, and building business platforms. Moreover, the Company deems that he has the talent necessary to spearhead efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
6	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Tadashi Itakura (January 5, 1964)	April 1987	Joined the Company	5,720
		January 2008	General Manager of Human Resources & General Affairs Dept., Administration Div.	
		January 2009	Managing Officer and Division Manager of Human Resources & General Affairs Div.	
		April 2012	Managing Officer of the Company and President of Thai Pigeon Co., Ltd.	
		January 2014	Managing Officer and Division Manager of Research & Development Div.	
		April 2014	Director, Junior Managing Executive Officer and Division Manager of Research & Development Div.	
		January 2015	Director, Junior Managing Executive Officer and Supervision of Research & Development Div., Quality Control Div. and Customer Service Center	
		April 2016	Director, Junior Managing Executive Officer and Division Manager of Quality Control Div. and Supervision of Research & Development Div., Logistics Div. and Customer Service Center	
		March 2017	Director, Managing Executive Officer and Supervision of Customer Communication Div., Research & Development Div., Quality Control Div. and Logistics Div. (current position)	
		Notable Concurrent Positions None.		
		Reasons for Nominating Him as a Candidate for Director		
		Mr. Tadashi Itakura has experience in the fields of accounting, human resources, and general affairs, and has also played a leadership role in management by acting as the representative director of overseas manufacturing companies. Since assuming the position of Division Manager of Research & Development Division in April 2014, he has been promoting initiatives to strengthen development and brand strengths which constitute the Company's core competencies. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the talent necessary to contribute to efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
7	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Yasunori Kurachi (December 25, 1959)	March 1982	Joined the Company	15,200
		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.	
		April 2013	Director, Junior Managing Executive Officer and Supervision of Domestic Baby & Mother Care Business Div. and Child Care Service Business Div.	
		April 2014	Director, Junior Managing Executive Officer and Supervision of Domestic Baby & Mother Care Business Div., Health & Elder Care Business Div. and Child Care Service Business Div.	
		January 2016	Director, Junior Managing Executive Officer and Division Manager of Health & Elder Care Business Div. of the Company and President of Pigeon Tahira Co., Ltd. and Supervision of Domestic Baby & Mother Care Business Div. and Child Care Service Business Div. of the Company	
		January 2018	Director, Junior Managing Executive Officer and Division Manager of Health & Elder Care Business Div. and Supervision of Domestic Baby & Mother Care Business Div. and Child Care Service Business Div. (current position)	
Notable Concurrent Positions None.		Reasons for Nominating Him as a Candidate for Director Mr. Yasunori Kurachi has abundant experience in the realm of sales and marketing in the domestic childcare product business. He has also played a leadership role in brand development and has achieved results, including strengthening the Company's marketing capabilities and consolidating business operations. He has also been promoting renewed structural reforms in the Health & Elder Care Business since April 2014. This experience and knowledge in corporate management are needed by the Company to pursue initiatives that involve achieving the targets of the Sixth Medium-Term Business Plan and other future business activities. Moreover, the Company deems that he has the talent necessary to contribute to efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
8	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Kevin Vyse- Peacock (May 25, 1967)	September 1989 July 1993 April 1996 April 2001 February 2010 April 2016 January 2018	Joined Croda UK Ltd Earned an MBA from Leeds University Sales and marketing director healthcare of Croda UK Ltd Established Lansinoh Laboratories, Inc.-UK branch President of the UK branch of Lansinoh Laboratories, Inc. President and CEO of Lansinoh Laboratories, Inc. Director, Junior Managing Executive Officer of the Company, and President and CEO of Lansinoh Laboratories, Inc. Director, Junior Managing Executive Officer and Division Manager of Lansinoh Business Div. of the Company and President and CEO of Lansinoh Laboratories, Inc. (current position)	0
		<p>Notable Concurrent Positions President and CEO of Lansinoh Laboratories, Inc.</p> <p>Reasons for Nominating Him as a Candidate for Director Mr. Kevin Vyse-Peacock joined Lansinoh Laboratories, Inc. in 2001 and has led business management as President of the UK branch of Lansinoh Laboratories, Inc. as well as President and CEO of Lansinoh Laboratories, Inc. He has realized expansion into global markets through various efforts including expanding the Lansinoh brand in Europe and the U.S.A., commencement of deployment of nursing bottles and nursing bottle nipples, which are two of Pigeon's mainstay products, in Europe and the U.S.A., as well as establishing sales companies in various countries. This experience and knowledge in corporate management will be needed in promoting the globalization of the Company, as well as in achieving the targets of the Sixth Medium-Term Business Plan and in other future business activities. Moreover, the Company deems that he has the talent necessary to contribute to efforts that enable the Company to maximize its corporate value and therefore nominated him as a candidate to continue serving as Director.</p>		

Note: There is no special interest between the candidate and the Company.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company		Number of the Company's Common Shares Held
9	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Independent</div> Takayuki Nitta (November 8, 1970)	April 1995 March 1999 June 2005 February 2009 October 2013 April 2015	Participated in Japan Overseas Cooperation Volunteers of Japan International Cooperation Agency (JICA) (later changed from a special public institution to an independence administrative institution under the same English name) Joined Corporate Directions, Inc. Joined Asuka Corporate Advisory Co., Ltd. Executive Director of Asuka Corporate Advisory Co., Ltd. Established Misaki Consulting (currently known as Misaki Capital Inc.) Partner of Misaki Capital Inc. (current position) Director of the Company (current position)	1,200
		Notable Concurrent Positions Partner of Misaki Capital Inc.		
		Reasons for Nominating Him as a Candidate for Outside Director Mr. Takayuki Nitta is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. He has a wealth of knowledge in corporate management nurtured through extensive experience at a management consulting company and investment management companies, and through providing advice, etc. on the Company's management strategy from a management perspective that is focused on shareholders by keeping in mind the capital efficiency, he has been appropriately executing his duties as an Outside Director to enhance corporate governance. Therefore, the Company has nominated him as a candidate who will continue to serve as an Outside Director.		

- Notes: 1. There is no special interest between the candidate and the Company.
2. Although the candidate is a partner of Misaki Capital Inc., it has been confirmed that the said company (including the funds it manages) has not made any investment in the Company and will not do so until the end of the candidate's term as an Outside Director of the Company. Therefore, it has been concluded that there is no risk of conflict of interest between the candidate and our general shareholders.
3. The candidate has been designated as an independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE) and the Company notified the TSE to that effect.
4. The candidate is currently an Outside Director of the Company. The period for which he has held the position of Outside Director will be three (3) years as of the conclusion of the Meeting.
5. To appoint appropriate personnel with high independence as Outside Director, current Articles of Incorporation of the Company provide that the Company may enter into a limited liability contract with an Outside Director which limits the Outside Director's liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. Pursuant to such provision, the Company has entered into the limited liability contract with the candidate. In addition, upon the approval of reappointment of the candidate, the Company plans to continue the limited liability contract. 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.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company	Number of the Company's Common Shares Held																																				
10	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> Rehito Hatoyama (January 12, 1974)	<table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1997</td> <td>Joined Mitsubishi Corporation</td> </tr> <tr> <td>May</td> <td>2008</td> <td>Joined Sanrio Company, Ltd.</td> </tr> <tr> <td>June</td> <td>2008</td> <td>Earned an MBA from Harvard Business School</td> </tr> <tr> <td>June</td> <td>2010</td> <td>Director of Sanrio Company, Ltd.</td> </tr> <tr> <td>April</td> <td>2013</td> <td>Managing Director of Sanrio Company, Ltd.</td> </tr> <tr> <td>June</td> <td>2013</td> <td>Outside Director of DeNA Co., Ltd.</td> </tr> <tr> <td>June</td> <td>2015</td> <td>CEO of Sanrio Media & Pictures Entertainment, Inc.</td> </tr> <tr> <td>March</td> <td>2016</td> <td>Outside Director of LINE Corporation (current position)</td> </tr> <tr> <td>April</td> <td>2016</td> <td>Director of Sanrio Company, Ltd.</td> </tr> <tr> <td>April</td> <td>2016</td> <td>Director of the Company (current position)</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Outside Director of transcocosmos inc. (current position)</td> </tr> <tr> <td>July</td> <td>2016</td> <td>Established Hatoyama Soken Corporation Representative Director of Hatoyama Soken Corporation (current position)</td> </tr> </table> <p>Notable Concurrent Positions Representative Director of Hatoyama Soken Corporation Outside Director of LINE Corporation Outside Director of transcocosmos inc.</p> <p>Reasons for Nominating Him as a Candidate for Outside Director Mr. Rehito Hatoyama is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. He has abundant experience and a wealth of knowledge regarding management in terms of international business strategy and execution of such strategy in operating companies, and through providing advice, etc. on management strategy, he has been appropriately executing his duties as an Outside Director to enhance corporate governance. Therefore, the Company has nominated him as a candidate who will continue to serve as an Outside Director.</p>	April	1997	Joined Mitsubishi Corporation	May	2008	Joined Sanrio Company, Ltd.	June	2008	Earned an MBA from Harvard Business School	June	2010	Director of Sanrio Company, Ltd.	April	2013	Managing Director of Sanrio Company, Ltd.	June	2013	Outside Director of DeNA Co., Ltd.	June	2015	CEO of Sanrio Media & Pictures Entertainment, Inc.	March	2016	Outside Director of LINE Corporation (current position)	April	2016	Director of Sanrio Company, Ltd.	April	2016	Director of the Company (current position)	June	2016	Outside Director of transcocosmos inc. (current position)	July	2016	Established Hatoyama Soken Corporation Representative Director of Hatoyama Soken Corporation (current position)	1,500
April	1997	Joined Mitsubishi Corporation																																					
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June	2016	Outside Director of transcocosmos inc. (current position)																																					
July	2016	Established Hatoyama Soken Corporation Representative Director of Hatoyama Soken Corporation (current position)																																					

- Notes: 1. There is no special interest between the candidate and the Company.
2. Although the candidate is the Representative Director of Hatoyama Soken Corporation, and an Outside Director of LINE Corporation and transcocosmos inc., the Company does not have a transactional relationship with any of the said companies.
3. The candidate has been designated as an independent director/auditor as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange (TSE) and the Company notified the TSE to that effect.
4. The candidate is currently an Outside Director of the Company. The period for which he has held the position of Outside Director will be two (2) years as of the conclusion of the Meeting.
5. To appoint appropriate personnel with high independence as Outside Director, current Articles of Incorporation of the Company provide that the Company may enter into a limited liability contract with an Outside Director which limits the Outside Director's liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. Pursuant to such provision, the Company has entered into the limited liability contract with the candidate. In addition, upon the approval of reappointment of the candidate, the Company plans to continue the limited liability contract. 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.

No.	Name (Date of Birth)	Career Summary	Number of the Company's Common Shares Held	
11	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> Erika Okada (August 18, 1965)	August 1987 June 1989 August 1992 August 1999 August 2007 June 2013 May 2014 June 2015 June 2016	Joined Merrill Lynch Joined The Long-Term Credit Bank of Japan,Limited (currently known as Shinsei Bank, Limited) Joined GE Capital Assistant Professor at Olin Business School, Washington University Associate Professor at Shidler College of Business, University of Hawai'i Visiting Associate Professor at The Wharton School, The University of Pennsylvania Professor at The Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (current position) Outside Corporate Auditor of Kakaku.com, Inc. Outside Director of Resona Bank, Limited. (current position)	0
		Notable Concurrent Positions Professor at ICS, Hitotsubashi University Outside Director of Resona Bank, Limited.		
		Reasons for Nominating Her as a Candidate for Outside Director Ms. Erika Okada is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Although she has never been involved in corporate management other than serving as an Outside Director or Outside Corporate Auditor, she has experience in investment bank operations and finance operations at banks and companies, has engaged in research on consumer behavior for many years at universities and graduate schools, and thereby possesses a high level of specialized expertise regarding marketing. By capitalizing on her abundant experience and wealth of knowledge, the Company deems her capable of appropriately executing duties as an Outside Director to enhance corporate governance through providing advice, etc. on management strategy. Therefore, the Company has nominated her as a candidate to serve as a newly appointed Outside Director.		

- Notes: 1. There is no special interest between the candidate and the Company.
2. Although the candidate is a professor at ICS of Hitotsubashi University, the Company does not have a transactional relationship, including donations of any kind, with the university. Although the candidate is an Outside Director of Resona Bank, Limited., the value of transactions, including borrowings, between the Company and the bank is minimal, comprising less than 1% of the Company's consolidated net sales and of the bank's ordinary income. Therefore, it has been concluded that there is no risk of conflict of interest between the candidate and our general shareholders.
3. If this proposal is approved, and the candidate takes office as Outside Director, 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. To appoint appropriate personnel with high independence as Outside Director, current Articles of Incorporation of the Company provide that the Company may enter into a limited liability contract with an Outside Director which limits the Outside Director's liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. Pursuant to such provision, if this proposal is approved, and the candidate takes office as Outside Director, the Company plans to enter into the limited liability contract with her. 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.

Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company stipulates the standards for the independence of its Outside Directors and Outside Audit & Supervisory Board Members (“outside officers”) as follows.

1. **Relationships with the Company and its subsidiaries (hereinafter collectively referred to as “Pigeon Group”)**
An outside officer shall not be currently acting and shall not have acted in the past ten (10) years as a director, auditor or employee of Pigeon Group.
2. **Relationships with business partners**
An outside officer shall not be currently acting and shall not have acted in the past three (3) years as either of the following:
 - (1) A major business partner of Pigeon Group (or in cases where the major business partner is a corporation, a director, auditor or employee thereof)
 - (2) A business partner who has major transactions with Pigeon Group (or in cases where the party is a corporation, a director, auditor or employee thereof)
3. **Relationships with shareholders**
An outside officer shall not currently be or shall not have been in the past three (3) years a major shareholder of the Company (or in cases where the major shareholder is a corporation, a director, auditor or employee thereof).
4. **Relationships with advisors and consultants**
An outside officer shall not be currently acting and shall not have acted in the past three (3) years as either of the following:
 - (1) An employee, partner or other member of Pigeon Group’s Independent Auditor or an employee, partner or other member of a certified public accountant or an audit firm that provides advice to Pigeon Group on accounting matters
 - (2) A person who does not fall under any of the above, but is a certified public accountant, tax accountant, attorney or other consultant (or in cases where the person is a corporation, association or other entity, an employee, partner or other member thereof) and who gains from Pigeon Group a substantial amount of cash or other assets other than remuneration for Directors and Audit & Supervisory Board Members
5. **Relationships with donation recipients**
An outside officer shall not be currently acting and shall not have acted in the past three (3) years as director, auditor or employee of a corporation or other entity that receives substantial donations from Pigeon Group.
6. **Relationships involving close relatives**
An outside officer shall not be a close relative of any person mentioned in 1 to 5 above (excluding immaterial person).

- Notes:
1. A “major business partner of Pigeon Group” refers to a business partner with respect to which the Pigeon Group’s business transactions with such business partner in the most recent fiscal year amount to 2% or more of annual consolidated net sales of Pigeon Group.
 2. A “business partner who has major transactions with Pigeon Group” refers to a business partner with respect to which such business partner’s business transactions with Pigeon Group in the most recent fiscal year amount to 2% or more of annual consolidated net sales of the business partner.
 3. A “major shareholder” refers to a shareholder who holds 10% or more of the voting rights in the Company (including indirect shareholdings).
 4. A “substantial amount of cash” refers to an amount of cash over the past three (3) years averaging ¥10 million or more per year in the case of an individual, or averaging 2% or more of consolidated net sales or total revenues in the case of an entity.
 5. “Substantial donations” refers to average donations over the past three (3) years of ¥10 million or more annually, or exceeding 2% of an entity’s consolidated net sales or its total revenues, whichever is higher.
 6. A “close relative” refers to a spouse or a relative who is within the second degree of kinship.

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

Audit & Supervisory Board Member Mr. Shinobu Iwamoto 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:

Name (Date of Birth)	Career Summary and Position in the Company		Number of the Company's Common Shares Held
<p><u>New appointment</u></p> <p>Nobuyuki Hashimoto (January 30, 1959)</p>	April 1983	Joined Hirakata KINTETSU Department Store (currently known as KINTETSU Department Store)	5,000
	November 1984	Joined Gakusei Kikaku Center Co., Ltd.	
	July 1985	Joined the Company	
	January 2006	Block Manager of West Japan Block, Domestic Sales Div.	
	January 2008	General Manager of West Japan Sales Dept. of Domestic Baby & Mother Care Business Div.	
	January 2010	General Manager of East Japan Sales Dept. of Domestic Baby & Mother Care Business Div.	
	January 2013	Managing Officer and Deputy Division Manager of Domestic Baby & Mother Care Business Div.	
	April 2013	Managing Officer and Division Manager of Domestic Baby & Mother Care Business Div.	
	March 2017	Senior Managing Officer and Division Manager of Domestic Baby & Mother Care Business Div. (current position)	
	<p>Notable Concurrent Positions None.</p>		
	<p>Reasons for Nominating Him as a Candidate for Audit & Supervisory Board Member Mr. Nobuyuki Hashimoto has long been engaged in the realm of sales of the domestic baby & mother care business, and has made numerous contributions to the Company, including improving profitability through the reconstruction of marketing strategies, and expanding sales through formulating strategies that capture major changes in the market. Furthermore, he formulated the sales strategy for large-size products such as baby strollers and car seats, a new business field of the Company, created a new sales structure to incorporate such strategy, implemented initiatives including the reassignment and development of human resources to construct an organization framework, and thereby built the foundation for sales expansion. In addition, he actively promotes cooperation with related departments as well as related institutions and companies, and possesses a wide range of knowledge regarding management. In light of such experience, the Company deems that he has adequate talent to perform the role of Audit & Supervisory Board Member.</p>		

- Notes: 1. There is no special interest between the candidate and the Company.
2. The term of office of Mr. Nobuyuki Hashimoto 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.