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Pigeon Corporation

Notice of the 54th Ordinary General Meeting of Shareholders

Securities Code: 7956
April 5, 2011

Dear Shareholders,

Pigeon Corporation (the “Company”) cordially invites you to attend the 54th 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., Tuesday, April 26, 2011 (JST).

Sincerely yours,

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

Meeting Information

1. Date and Time:

Wednesday, April 27, 2011, 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 54th Fiscal Year (from February 1, 2010 to January 31, 2011), 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 54th Fiscal Year (from February 1, 2010 to January 31, 2011)

Matters to Be Resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Two (2) Directors

Proposal 3: Election of Four (4) Corporate Auditors

Proposal 4: Election of One (1) Substitute Corporate Auditor

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

Proposals and Reference Information

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 Third Medium-Term Business Plan (the "Plan") announced in March 2008, we are targeting a total shareholder return ratio of over 50% on a consolidated basis in the 54th Fiscal Year (the year ended January 2011), the final fiscal year of the Plan. In order to achieve this goal, we have been 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:	¥44
Total amount of dividends:	¥880,626,472

As we have already paid an interim cash dividend of ¥44 per common share of the Company, the total annual dividend will be ¥88 per common share of the Company, which is ¥24 increase from the previous fiscal year.

3. Effective date of distribution of dividends from surplus: April 28, 2011

Proposal 2: Election of Two (2) Directors

In order to implement our Fourth Medium-Term Business Plan with certainty and to enhance the shareholder value by further strengthening our management team, the Company hereby proposes the election of two (2) new directors.

The candidates for directors are as follows:

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
1	Hiroki Yuda (October 10, 1955)	March 1979	Joined the Company	600
		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. (current position)	
2	Eiji Akamatsu (October 3, 1958)	March 1982	Joined the Company	5,000
		May 2002	President of Pigeon Will Co., Ltd.	
		January 2006	General Manager of Child Care Service Business Div. of the Company and Managing Director of Pigeon Hearts 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.	
		January 2011	Managing Officer and Division Manager of Child Care Service Business Div. of the Company (current position)	

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

Proposal 3: Election of Four (4) Corporate Auditors

The terms of office of all four (4) existing corporate auditors will expire as of the conclusion of the Meeting. Accordingly, the Company hereby proposes the election of four (4) corporate auditors.

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

The candidates for corporate auditors are as follows:

No.	Name (Date of Birth)	Career Summary, Position in the Company, and Notable Concurrent Positions		Number of the Company's Shares Held
1	Katsumi Oyabu (October 31, 1952)	March 1976	Joined the Company	4,900
		August 2002	General Manager of Corporate Planning Dept.	
		April 2005	Managing Officer of Investor Relation Dept., Corporate Administration Div.	
		January 2006	Managing Officer of Investor & Public Relation Dept., Corporate Administration Div.	
		January 2007	General Manager of Investor & Public Relation Dept., Corporate Administration Div.	
		April 2007	Standing Corporate Auditor (current position)	
2	Kimiyoshi Tanaka (January 16, 1952)	April 1974	Joined Emiya Shokai Co., Ltd.	3,000
		November 1978	Joined the Company	
		February 1996	General Manager of Sales Planning Dept., Domestic Sales Div.	
		February 2000	Managing Officer and Assistant to Division Manager of Domestic Sales Div.	
		December 2001	Managing Officer of Marketing Dept.	
		January 2004	Managing Officer of Procurement Dept.	
		January 2005	Managing Officer of Corporate Administration Div.	
		August 2005	President of Tahira Co., Ltd. (currently known as Pigeon Tahira Co., Ltd.)	
		March 2009	Member of Audit Dept. of the Company	
		April 2009	Standing Corporate Auditor (current position)	
3	Shigeru Nishiyama (October 27, 1961)	March 1987	Registered as Certified Public Accountant	2,500
		April 2000	Assistant Professor at Waseda University Graduate School of Asia-Pacific Studies	
		April 2003	Outside Corporate Auditor of the Company (current position)	
		April 2006	Professor at Waseda University Graduate School of Commerce (current position)	
		(Notable Concurrent Positions)		
		Professor at Waseda University Graduate School of Commerce		
		Outside Corporate Auditor of Mitsui Sumitomo Insurance Co., Ltd.		
4	Shuji Idesawa (January 15, 1957)	April 1983	Registered as Attorney (Dai-ichi Tokyo Bar Association)	3,300
		March 1995	Established Idesawa & Associates (currently known as Idesawa & Partners)	
		April 2006	Attorney-at-law/Managing Partner (current position)	
		April 2006	Outside Corporate Auditor of the Company (current position)	
		(Notable Concurrent Positions)		
		Attorney-at-law/Managing Partner at Idesawa & Partners		
		Outside Corporate Auditor of F@N Communications, Inc.		
		Outside Corporate Auditor of Nextgen, Inc.		

- Notes:
1. There is no special interest between the candidates and the Company.
 2. There is no special interest between any of the organizations that Mr. Shigeru Nishiyama or Mr. Shuji Idesawa concurrently holds a position in and the Company.
 3. Mr. Shigeru Nishiyama and Mr. Shuji Idesawa are the candidates for outside corporate auditors. Both candidates have been designated as independent directors/corporate auditors as specified in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (TSE) and the Company notified the TSE to that effect.
 4. The reason for nominating Mr. Shigeru Nishiyama as a candidate for outside corporate auditor is that he is current

outside corporate auditor of the Company who provides his opinions based on his expert viewpoints as a certified public accountant and a graduate school professor, and provides advice and suggestions for assuring the suitability and appropriateness of decisions of the Board of Directors. The Company therefore would like to have Mr. Nishiyama reelected as outside corporate auditor. On an additional note, although Mr. Nishiyama has not been involved in corporate management in the past other than serving as an outside director or outside corporate auditor, he possesses extensive knowledge on finance and accounting. Accordingly, the Company has come to a conclusion that Mr. Nishiyama is capable of appropriately performing the duties of outside corporate auditor.

5. The reason for nominating Mr. Shuji Idesawa as a candidate for outside corporate auditor is that he is current outside corporate auditor of the Company who provides his opinions based on his expert viewpoint as an attorney, and provides advice and suggestions for assuring the suitability and appropriateness of decisions of the Board of Directors. The Company therefore would like to have Mr. Idesawa reelected as outside corporate auditor. On an additional note, although Mr. Idesawa has not been involved in corporate management in the past other than serving as an outside corporate auditor, as an attorney, he possesses advanced knowledge and extensive experience in law and is an expert of corporate legal matters. Accordingly, the Company has come to a conclusion that Mr. Idesawa is capable of appropriately performing the duties as an outside corporate auditor.
6. Mr. Shigeru Nishiyama is currently a corporate auditor of the Company. The period for which he has held the position of corporate auditor will become eight (8) years as of the conclusion of the Meeting.
7. Mr. Shuji Idesawa is currently a corporate auditor of the Company. The period for which he has held the position of corporate auditor will become five (5) years as of the conclusion of the Meeting.
8. In order to appoint appropriate personnel who is highly independent for the position of outside corporate auditor, current Articles of Incorporation of the Company permits the Company to enter into a limited liability agreement with outside corporate auditor which limits the outside corporate auditor's liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the Companies Act. Pursuant to such provision, the Company has entered into such limited liability agreements with Mr. Shigeru Nishiyama and Mr. Shuji Idesawa. In addition, upon the approval of reappointment of both of them, the Company plans to continue such limited liability agreements. The maximum amount of damages for which corporate auditor is liable under such limited liability agreement is the sum of the amounts prescribed in each item of Article 425, paragraph (1) of the Companies Act.

Proposal 4: Election of One (1) Substitute Corporate Auditor

The validity of election of Mr. Hiroki Takano, who was elected as substitute corporate auditor at the 50th Ordinary General Meeting of Shareholders held on April 26, 2007, will expire as of commencement of the Meeting. Accordingly, in order to prepare for a possible situation in which the number of corporate auditors falls below the number required by laws and regulations, the Company proposes the election of one (1) substitute corporate auditor.

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

The candidate for substitute corporate auditor is as follows:

Name (Date of Birth)	Career Summary and Notable Concurrent Positions		Number of the Company's Shares Held
Tokiko Maruno (July 21, 1973)	October 2002	Registered as Attorney (Dai-ichi Tokyo Bar Association)	0
	October 2002	Joined Idesawa & Partners (to the present)	

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Ms. Tokiko Maruno is the candidate for substitute outside corporate auditor. She is a candidate who falls under the category of independent directors/corporate auditors as specified in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.
 3. The reason for nominating Ms. Tokiko Maruno as a candidate for substitute outside corporate auditor is to have her use her professional knowledge as an attorney for the Company's audit. In addition, although Ms. Maruno has not been involved in corporate management in the past, as an attorney, she possesses advanced knowledge and extensive experience in law and is an expert in corporate legal matters. Accordingly, the Company has come to a conclusion that Ms. Maruno is capable of appropriately performing the duties of outside corporate auditor.
 4. In order to appoint appropriate personnel who is highly independent for the position of outside corporate auditor, current Articles of Incorporation of the Company permits the Company to enter into a limited liability agreement with outside corporate auditor which limits the outside corporate auditor's liability for damages prescribed in Article 423, paragraph (1) of the Companies Act, pursuant to Article 427, paragraph (1) of the Companies Act. In the event that Ms. Tokiko Maruno assumes the position of corporate auditor, the Company plans to enter into such limited liability agreement with her. The maximum amount of damages for which corporate auditor is liable under such limited liability agreement is the sum of the amounts prescribed in each item of Article 425, paragraph (1) of the Companies Act.