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(Securities Code 4521)  
June 6, 2018

**To Our Shareholders:**

Tetsuo Onuma  
President and Representative Director  
KAKEN PHARMACEUTICAL CO., LTD.  
28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo, Japan

**NOTICE OF CONVOCATION**  
**THE 98<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 98<sup>th</sup> Ordinary General Meeting of Shareholders of KAKEN PHARMACEUTICAL CO., LTD. (the “Company”) (the “Meeting”). The Meeting will be held for the purposes as described below.

If you are unable to attend the Meeting, you can exercise your voting right in writing by submitting the enclosed Voting Right Exercise Form by mail. Please review the Reference Documents for the Meeting (described hereinafter) and cast your vote to arrive at the designated address stated on the Form by 5:30 p.m. on Wednesday, June 27, 2018 (Japan time).

- 1. Date and Time:** Thursday, June 28, 2018 at 10:00 a.m. (Japan time) (reception begins at 9:00 a.m.)
- 2. Place:** Ueno TOH-TEN-KOH, 3<sup>rd</sup> Floor, “Ho-oh-no-ma”  
4-1, Ikenohata 1-chome, Taito-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters for Reporting:**
    1. Report on Business Operations, Consolidated Financial Statements, and the audit reports by the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements for the Company’s 98<sup>th</sup> Fiscal Year (April 1, 2017 – March 31, 2018)
    2. Non-Consolidated Financial Statements for the Company’s 98<sup>th</sup> Fiscal Year (April 1, 2017 - March 31, 2018)
  - Matters for Resolution:**
    - Proposal No. 1:** Approval for the Appropriation of Surplus
    - Proposal No. 2:** Election of Seven Directors
    - Proposal No. 3:** Election of One Corporate Auditor
    - Proposal No. 4:** Grant of Bonuses to Directors

#### **4. Other Matters with regard to Convocation of the Meeting:**

- (1) Of the documents to be provided in connection with this Notice, “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Non-Consolidated Statements of Changes in Net Assets” and “Notes to Non-Consolidated Financial Statements” in the Non-Consolidated Financial Statements have been provided to shareholders on the Company’s website (<http://www.kaken.co.jp/>), based on the provisions of the relevant laws and Article 20 of the Company’s Articles of Incorporation, hence no disclosure in this Notice.
- (2) As to exercising your voting right by proxy, it can only be entrusted to one shareholder of the Company who also holds a voting right. In this case, you are requested to submit a written power of attorney to the Company.

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- Notes: 1. If you attend the Meeting, please present the enclosed Voting Right Exercise Form at the reception desk at the Meeting.
2. Subsequent amendments to the Reference Documents for the Meeting and the enclosed documents (if any) will be posted on the Company’s website (<http://www.kaken.co.jp/>).

## Reference Documents for the Meeting

### Proposals and References

#### **Proposal No. 1: Approval for the Appropriation of Surplus**

Considering the financial results, future business development, and other factors, the Company proposes to pay the following as the year-end dividend for the fiscal year 2017:

(1) Form of dividends

Cash

(2) Allocation of dividends to shareholders and total amount of allocation

¥75 per common share

Total amount of ¥3,023,945,400

(3) Effective date of distribution of surplus for dividends

June 29, 2018

**Proposal No. 2: Election of Seven Directors**

The term of all eight Directors of the Company will expire at the closing of the Meeting.

Accordingly, the Company proposes the election of seven Directors (including two Outside Directors).

The candidates for Director are as follows:

No.	Name		Positions and Responsibilities at the Company	Attendance at the Board of Directors' Meetings
1	Tetsuo Onuma	Reappointment	President and Representative Director	100% (16/16 meetings)
2	Hiroyuki Horiuchi	Reappointment	Director, Chief Officer of Marketing & Sales Division	100% (16/16 meetings)
3	Atsushi Takaoka	Reappointment	Managing Director, in charge of Accounting & Finance Department and Agrochemical & Animal Health Products Division	100% (16/16 meetings)
4	Fumihiko Watanabe	Reappointment	Director, in charge of Corporate Planning & Coordination Department, Legal Affairs & Intellectual Property Department, and Information System Department	100% (16/16 meetings)
5	Chikara Ieda	Reappointment	Director, Chief Officer of R&D Division	100% (13/13 meetings)
6	Eiki Enomoto	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)
7	Yoshio Tanabe	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)

(Note) Mr. Chikara Ieda assumed the position of Director on June 29, 2017.

No.	Name (Date of Birth)	Career Summary, Present Position, and Responsibilities	Number of Shares of the Company Held
1	Tetsuo Onuma (November 30, 1950)  Reappointment	April 1974    Joined the Company April 2002    General Manager of Marketing Planning & Coordination Department of the Company July 2004     Corporate Officer, General Manager of Marketing Planning & Coordination Department of the Company June 2005     Director, General Manager of Marketing Planning & Coordination Department of the Company April 2007     Director, Chief Officer of Marketing & Sales Division of the Company June 2007     Managing Director, Chief Officer of Marketing & Sales Division of the Company June 2011     President and Representative Director of the Company (to present)	13,000 shares
[Reasons for selection as candidate for Director] Mr. Tetsuo Onuma has extensive experience in marketing sections, and has demonstrated achievements as an executive subsequent to appointment as President and Representative Director of the Company in 2011. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.			
2	Hiroyuki Horiuchi (March 21, 1962)  Reappointment	April 1984    Joined the Company October 2010    General Manager of Hiroshima Branch (currently General Manager of Chugoku and Shikoku Branch) of the Company April 2014     General Manager of Osaka Branch of the Company July 2015     Corporate Officer, General Manager of Osaka Branch of the Company April 2016     Corporate Officer, General Manager of Marketing & Sales Department of the Company June 2016     Director, General Manager of Marketing & Sales Department of the Company April 2017     Director, Chief Officer of Marketing & Sales Division of the Company (to present)	2,900 shares
[Reasons for selection as candidate for Director] Mr. Hiroyuki Horiuchi has extensive experience in marketing sections, and has demonstrated achievements as the person responsible for the marketing & sales section subsequent to appointment as Chief Officer of Marketing & Sales Division of the Company in 2017. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.			

No.	Name (Date of Birth)	Career Summary, Present Position, and Responsibilities		Number of Shares of the Company Held
3	Atsushi Takaoka (June 28, 1955)  Reappointment	April 1978	Joined The Norinchukin Bank	600 shares
		June 2003	General Manager, Securities Operation Division of The Norinchukin Bank	
July 2004	Deputy General Manager, Osaka Branch of The Norinchukin Bank			
June 2005	General Manager of JA Bank System Management Division, The Norinchukin Bank			
June 2007	Managing Director, The Norinchukin Bank			
June 2010	Full-Time Audit & Supervisory Board Member, Nihon Unisys, Ltd.			
June 2014	Advisor of Okasan Securities Co., Ltd.			
June 2016	Managing Director of the Company (in charge of Accounting & Finance Department, Purchasing Department, and Agrochemical & Animal Health Products Division)			
		August 2016	Managing Director, General Manager of Purchasing Department of the Company (in charge of Accounting & Finance Department, Purchasing Department, and Agrochemical & Animal Health Products Division)	
		October 2016	Managing Director of the Company (in charge of Accounting & Finance Department and Agrochemical & Animal Health Products Division) (to present)	
[Reasons for selection as candidate for Director] Mr. Atsushi Takaoka has extensive experience and achievements serving at financial institutions. The Company believes that he can use his wide insights fostered in these duties in the business execution of the Company, and the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.				
4	Fumihiko Watanabe (May 14, 1960)  Reappointment	April 1984	Joined Toho Mutual Life Insurance Company	2,400 shares
		April 2000	Joined the Company	
April 2007	General Manager of Accounting & Finance Department of the Company			
April 2013	General Manager of General Affairs Department of the Company			
July 2013	Corporate Officer, General Manager of General Affairs Department of the Company			
April 2016	Corporate Officer of the Company			
		June 2016	Director of the Company (in charge of Corporate Planning & Coordination Department, Legal Affairs & Intellectual Property Department, and Information System Department) (to present)	
[Reasons for selection as candidate for Director] Mr. Fumihiko Watanabe has extensive experience in accounting and finance sections, and he has demonstrated achievements in the area of finance and IR, etc. serving as General Manager of Accounting & Finance Department and General Manager of General Affairs Department since 2007. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.				

No.	Name (Date of Birth)	Career Summary, Present Position, and Responsibilities	Number of Shares of the Company Held	
5	Chikara Ieda (January 6, 1961)  Reappointment	April 1984 April 2009 April 2014 January 2015 July 2016 October 2016 April 2017 June 2017	Joined the Company General Manager of Clinical Development Department of the Company General Manager of R&D Strategic Planning Department of the Company General Manager of Project Management and Licensing Department of the Company Corporate Officer, General Manager of Project Management and Licensing Department of the Company Corporate Officer, Chief Officer of R&D Division, and General Manager of Project Management and Licensing Department of the Company Corporate Officer, Chief Officer of R&D Division of the Company Director, Chief Officer of R&D Division of the Company (to present)	2,700 shares
		<p>[Reasons for selection as candidate for Director] Mr. Chikara Ieda has extensive experience in the R&amp;D Division, and has demonstrated achievements as the person responsible for the R&amp;D Division after assuming the position of Chief Officer of R&amp;D Division. Thus, the Company has determined him to be suitable to continue serving as Director of the Company and selected him as a candidate for Director.</p>		
6	Eiki Enomoto (May 22, 1969)  Reappointment  Outside Director  Independent Director	April 1999 June 2005 August 2009  April 2014 June 2014 April 2018	Registered as attorney at law (Dai-ichi Tokyo Bar Association) Outside Auditor, ZENRIN CO., LTD. Established Ishii & Enomoto Law Office Partner, Ishii & Enomoto Law Office (current position) Auditor, Dai-ichi Tokyo Bar Association Director of the Company (current position) Professor, The Legal Training and Research Institute, The Supreme Court of Japan (current position) (to present)	300 shares
		<p>[Significant concurrent positions] Partner, Ishii &amp; Enomoto Law Office Professor, The Legal Training and Research Institute, The Supreme Court of Japan</p> <p>[Reasons for selection as candidate for Outside Director] The Company has determined that Mr. Eiki Enomoto can utilize his experience and professional expertise through engaging in corporate legal work as an attorney at law in the management of the Company and has continued to select him as a candidate for Outside Director.</p>		





**Proposal No. 3: Election of One Corporate Auditor**

Corporate Auditor of the Company, Mr. Masanori Aoyama will resign from the position as Corporate Auditor at the closing of the General Meeting of Shareholders.

The Company proposes the election of one Corporate Auditor.

The Board of Corporate Auditors has already given its approval to this Proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of Birth)	Career Summary and Present Position	Number of Shares of the Company Held
Naomi Doi (November 14, 1958)  New Candidate	April 1990    Joined the Company April 2010    General Manager of R&D Administration Center April 2012    General Manager of R&D Quality Assurance Department April 2018    Senior Manager of R&D Quality Assurance Department (to present)	0
<p>[Reasons for selection as candidate for Corporate Auditor] Mr. Naomi Doi has extensive experience in the R&amp;D Division, and broad knowledge and insight regarding the group's business based on his achievements as General Manager of R&amp;D Quality Assurance Department. Thus, the Company has determined him to be suitable to serve as Corporate Auditor of the Company and selected him as a candidate for Corporate Auditor.</p>		

- (Notes) 1. There is no special interest between the Company and the above candidate for Corporate Auditor.  
2. Mr. Naomi Doi holds stock of the Company equivalent to 2,435 shares under the employee stock ownership plan.

**Proposal No. 4: Grant of Bonuses to Directors**

The Company proposes that bonuses amounting to ¥108,580,000 be paid to the six Directors who were in office as Directors as of the end of the fiscal year under review, excluding Outside Directors, based on past payments, the Company's performance during the fiscal year, and other factors. It is also proposed that amount of the bonus to each Director be decided at the board of directors meeting.