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(Stock Exchange Code 4516)
June 7, 2016

To Shareholders with Voting Rights:

Shigenobu Maekawa
President
Nippon Shinyaku Co., Ltd.
14, Nishinosho-Monguchi-cho,
Kisshoin, Minami-ku, Kyoto

NOTICE OF
THE 153RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 153rd Annual General Meeting of Shareholders of Nippon Shinyaku Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in either of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on June 28, 2016, Japan time.

[When exercising voting rights by mail (in writing)]

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the deadline shown above.

[When exercising voting rights via the Internet, etc.]

Please access the website for exercising voting rights designated by the Company (http://www.evote.jp/) and input your vote for or against the proposal by following the instructions on the screen, using the "login ID" and "tentative password" printed on the enclosed Voting Rights Exercise Form.

1. **Date and Time:** Wednesday, June 29, 2016 at 10:00 a.m. Japan time

2. **Place:** Head office of Nippon Shinyaku Co., Ltd. located at
14, Nishinosho-Monguchi-cho, Kisshoin, Minami-ku, Kyoto, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 153rd Fiscal Year (April 1, 2015 - March 31, 2016) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 153rd Fiscal Year (April 1, 2015 - March 31, 2016)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of 9 Directors
Proposal 3: Election of 2 Corporate Auditors

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Of the documents required to be provided together with this convocation notice, “Consolidated statement of changes in equity,” “Notes to the Consolidated Financial Statements,” “Statement of changes in equity” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Company. Therefore, they are not included in the appendix of this convocation notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements are part of the documents audited by Board of Auditors and the Accounting Auditor in preparing the audit report.
- Should the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (http://www.nippon-shinyaku.co.jp/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Our policy on reasonable returning profits to shareholders is to issue dividends linked to earnings and maintain a consolidated payout ratio of around 30%. Also, by increasing EPS (basic earnings per share), we aim to increase dividend per share.
Under our basic policy to maximize corporate value, the Company strives to further strengthen its business foundations by bolstering R&D to expand the pipeline for product development, while taking balance between retaining earnings to enable it to make investments necessary to maintain a corporate position to withstand increasingly competitive conditions and returning profits.
Based on the above policy, the year-end dividend for the fiscal year is proposed as follows:

(1) Type of Dividend:
Cash

(2) Items relating to the allocation of dividend assets to shareholders and its total amount:
¥14 yen per share of common stock of the Company
Total amount: ¥943,084,156
Together with the interim dividend of ¥14 per share, the annual dividend will be ¥28 per share.

(3) Effective Date of Distribution of Retained Earnings:
Thursday, June 30, 2016

Proposal 2: Election of 9 Directors

The terms of office of all 9 Directors including 2 External Director will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors including 2 External Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, significant concurrent positions and reasons for the nomination for Directors	Number of shares of the Company held Attendance at Board of Directors' meetings
1	Shigenobu Maekawa (January 18, 1953)	April 1976 Joined the Company March 1992 Transfer to The Japan Federation of Economic Organizations April 2002 General Manager, Corporate Planning Dept., Corporate Strategy Office April 2004 Corporate Officer June 2005 Director June 2005 Director, Corporate Planning, Accounting & Financing, and Information systems, and General Manager, Corporate Planning Dept. June 2006 Managing Director April 2007 Managing Director, Corporate Planning, Accounting & Financing, and Information systems June 2007 President (current position) [Reasons for the nomination for Director] After joining the Company in 1976, Mr. Shigenobu Maekawa has assumed positions including General Manager, Corporate Planning Dept. from 2002, Director in charge of corporate planning, accounting & financing, and information systems from 2005, Managing Director from 2006, and President (current position) from 2007. The Company nominates him for Director as he has a wealth of experience and broad insight as a business manager and he has been fully demonstrating leadership as a member of the management team of the Company.	50,500 16/16 meetings
2	Tsugio Tanaka (March 23, 1953)	April 1980 Joined the Company April 2006 General Manager, Business Strategy Department July 2007 General Manager, International Business Department March 2008 General Manager, Manufacturing Management and Material Procurement Center; General Manager, International Department April 2008 General Manager, Manufacturing Management and Resource Procurement Department June 2008 Director June 2008 Director, Resource Procurement, Production and Assurance June 2014 Managing Director (current position) June 2014 Managing Director, Business Management (current position) [Reasons for the nomination for Director] After joining the Company in 1980, Mr. Tsugio Tanaka has assumed positions including General Manager, Business Strategy Department from 2006, General Manager, International Business Department from 2007, Director in charge of Resource Procurement, Production and Assurance from 2008, and Managing Director in charge of Business Management (current position) from 2014. The Company nominates him for Director as he has a wealth of business experience and broad insight into overall management.	29,500 16/16 meetings

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, significant concurrent positions and reasons for the nomination for Directors	Number of shares of the Company held Attendance at Board of Directors' meetings
3	Yoshiro Yura (April 2, 1952)	April 1977 Joined the Company March 1994 Transfer to The Japan Federation of Economic Organizations April 2003 General Manager, Corporate Communications Department April 2007 General Manager, Personnel Department June 2008 Director (current position) June 2008 Director, CSR and management administration (current position) [Reasons for the nomination for Director] After joining the Company in 1977, Mr. Yoshiro Yura has assumed positions including General Manager of Public Relations Department from 2003, General Manager of Human Resources Department from 2007 and Director in charge of CSR and management administration (current position) from 2008. The Company nominates him for Director as he has a wealth of business experience in CSR and management administration and broad insight into such field.	22,100 16/16 meetings
4	Akira Matsuura (March 1, 1953)	April 1988 Joined the Company April 2004 General Manager, Chemical Research Department, Discovery Research Labs., Research & Development Division April 2007 General Manager, Discovery Research Labs., Medicine Development Center, Research & Development Division April 2008 Corporate Officer; General Manager, Discovery Research Labs., Research & Development Division June 2010 Director (current position) June 2010 Director, Research and Development; General Manager, Research & Development Div. (current position) [Reasons for the nomination for Director] After joining the Company in 1988, Dr. Akira Matsuura has assumed positions including General Manager, Chemical Research Department, Discovery Research Laboratories from 2004, General Manager, Discovery Research Labs., Medicine Development Center from 2007, General Manager, Discovery Research Labs., Research & Development Division from 2008, and Director in charge of research and development (current position) from 2010. The Company nominates him for Director as he has a wealth of business experience in research and development and broad insight into such field.	11,700 16/16 meetings
5	Hitoshi Saito (August 25, 1955)	April 1978 Joined the Company July 2005 General Manager, Purchasing Department, Manufacturing Management and Material Procurement Center April 2008 General Manager, R&D Planning Department, R&D Planning Administration Department, Research & Development Division April 2010 Corporate Officer; General Manager, R&D Planning Administration Department, Research & Development Division June 2014 Director (current position) June 2014 Director, Resource Procurement, production and Assurance (current position) [Reasons for the nomination for Director] After joining the Company in 1978, Mr. Hitoshi Saito has assumed positions including General Manager, Procurement Department, Production Control and Material Procurement Center from 2005, General Manager, R&D Planning Department from 2008, and Director in charge of supply chain and reliability assurance (current position) from 2014. The Company nominates him for Director as he has a wealth of business experience in supply chain and reliability assurance and broad insight into such field.	4,100 16/16 meetings

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, significant concurrent positions and reasons for the nomination for Directors	Number of shares of the Company held Attendance at Board of Directors' meetings
6	Kenro Kobayashi (May 26, 1958)	April 1982 Joined the Company April 2007 General Manager, Kyoto Branch Office, Sales and Marketing Division April 2010 Corporate Officer; General Manager, Nagoya Branch Office, Sales Promotion Administration Department, Sales and Marketing Division April 2013 Corporate Officer; General Manager, Kinki and Tokai Regional Administration Department, Sales and Marketing Division April 2015 Corporate Officer; Deputy Head of Functional Food Company June 2015 Director (current position) June 2015 Director, Functional Food; Head of Functional Food Company (current position) [Reasons for the nomination for Director] After joining the Company in 1982, Mr. Kenro Kobayashi has assumed positions including General Manager of Kyoto Branch Office from 2007, General Manager of Nagoya Branch Office from 2010, General Manager of Kinki and Tokai Regional Administration Department from 2013, and Director in charge of functional food (current position) from 2015. The Company nominates him for Director as he is effectively utilizing his wealth of business experience in sales division of medical products and broad insight into functional food division.	4,200 16/16 meetings
7	Shouzou Sano (July 14, 1960)	April 1984 Joined the Company April 2008 General Manager, Saitama Branch Office, Sales and Marketing Division April 2010 Corporate Officer; General Manager, Osaka Branch Office, Sales and Marketing Division June 2013 Corporate Officer; General Manager, Tokyo Area Administration Department, Sales and Marketing Division April 2015 Corporate Officer; Head, Sales and Marketing Division June 2015 Director (current position) June 2015 Director, Sales and Marketing; General Manager, Sales and Marketing Div. (current position) [Reasons for the nomination for Director] After joining the Company in 1984, Mr. Shouzou Sano has assumed positions including General Manager of Saitama Branch Office from 2008, General Manager of Osaka Branch Office from 2010, General Manager of Tokyo Area Administration Department from 2013, Director in charge of sales and marketing (current position) from 2015. The Company nominates him for Director as he has a wealth of business experience in sales division of medical products and broad insight into such field.	5,200 16/16 meetings

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, significant concurrent positions and reasons for the nomination for Directors	Number of shares of the Company held Attendance at Board of Directors' meetings
8	Candidate for External Director Candidate for Independent Director Yukio Sugiura (February 3, 1942)	January 1988 Professor, Institute for Chemical Research, Kyoto University March 1998 Guest professor of Pharmaceutical Department, The University of Manchester April 1998 Director, Institute for Chemical Research, Kyoto University April 2005 Emeritus professor, Kyoto University (current position) April 2005 President, The Pharmaceutical Society of Japan April 2007 Specially appointed professor, Faculty of Pharmaceutical Sciences, Doshisha Women's College of Liberal Arts June 2013 External Director (current position) March 2016 Retired from Specially appointed professor, Faculty of Pharmaceutical Sciences, Doshisha Women's College of Liberal Arts [Service period as External Director of the Company] He will have served as External Director for three years at the conclusion of this General Meeting of Shareholders. [Reasons for the nomination for Director] The Company nominates Dr. Yukio Sugiura for External Director as he is offering advice to the management of the Company from a practical perspective based on his expertise and insight from an independent standpoint as a pharmacologist.	1,000 16/16 meetings
9	Candidate for External Director Candidate for Independent Director Hitoshi Sakata (January 22, 1953)	April 1985 Registered with Kyoto Bar Association December 1989 Joined Inoue Sakata Law Office July 1995 Partner, Oike Law Office (current position) April 1998 Deputy Chairman, Kyoto Bar Association February 2010 Guest researcher of Faculty of Law, University of Cambridge April 2011 Professor of Doshisha Law School, Graduate School of Doshisha University June 2013 External Director (current position) March 2016 Retired from Professor of Doshisha Law School, Graduate School of Doshisha University [Service period as External Director of the Company] He will have served as External Director for three years at the conclusion of this General Meeting of Shareholders. [Significant concurrent positions] Partner, Oike Law Office [Reasons for the nomination for Director] The Company nominates Mr. Hitoshi Sakata for External Director as he is offering advice to the management of the Company from a practical perspective based on his expertise and insight from an independent standpoint as a lawyer.	1,000 15/16 meetings

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company stipulates Criteria of Independence* for Independent Outside Officers. (The Company's website "Basic policies on corporate governance" (http://www.nippon-shinyaku.co.jp/company_profile/pdf/governance_policy1512.pdf)).
   Both candidates for External Director in this proposal meet the criteria.
   Other matters concerning the candidates for External Director are as follows:
   (1) If the election of the candidates for External Director is approved, the Company, in accordance with the stipulation of Article 427, Paragraph 1 of the Companies Act, plans to conclude liability limitation agreements with both of them to limit their liabilities for damages under Article 423, Paragraph 1 of the Companies Act to the

amount stipulated by laws and regulations.

(2) The Company has designated Mr. Yukio Sugiura and Mr. Hitoshi Sakata as independent directors stipulated by Tokyo Stock Exchange and reported such designation to the Exchange. If the reelection of both candidates is approved and resolved, they will continue to serve as independent directors.

Proposal 3: Election of 2 Corporate Auditors

The terms of office of Corporate Auditors, namely Messrs. Kenji Kameyama and Yasuo Tanabe, will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 2 Corporate Auditors is proposed.

The Board of Corporate Auditors has previously given its approval to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions at the Company, significant concurrent positions and reasons for the nomination for Corporate Auditor	Number of shares of the Company held
1	New candidate Hideya Mukai (February 5, 1955)	April 1979 Joined the Company April 2004 General Manager, Drug Metabolism & Pharmacokinetics Department, Discovery Research Laboratories, Research & Development Division April 2008 General Manager, Pharmacy Department, Discovery Research Laboratories, Research & Development Division April 2010 General Manager, Discovery Research Laboratories, Research & Development Division April 2011 Corporate Officer; General Manager, Discovery Research Laboratories, Research & Development Division (current position) [Reasons for the nomination for Corporate Auditor] After joining the Company in 1979, Dr. Hideya Mukai has assumed positions including General Manager of Drug Metabolism & Pharmacokinetics Department, Discovery Research Laboratories from 2004, General Manager of Pharmacy Department, Discovery Research Laboratories from 2008, and General Manager of Discovery Research Laboratories, Research & Development Division (current position) from 2010. The Company nominates him for Corporate Auditor based on a belief that he has adequate experience and ability required for a Corporate Auditor of the Company.	4,100
2	New candidate Candidate for Outside Auditor Candidate for Independent Corporate Auditor Tsuyoshi Kondo (November 19, 1963)	April 1993 Completed legal training at Legal Training and Research Institute April 1993 Certified as a lawyer April 1993 Worked for Kondo Chiaki & Tsuyoshi Law Office April 2001 President of Kondo Law Office(current position) April 2003 Registered as a patent attorney April 2010 Specially appointed professor, Graduate School of Law, Kansai University (current position) [Reasons for the nomination for Corporate Auditor] The Company nominates Mr. Tsuyoshi Kondo for Outside Auditor based on a belief that he would provide advice to enhance the soundness and transparency of corporate management, and compliance of the Company by drawing on his expertise and insight from an independent standpoint as a lawyer.	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company stipulates Criteria of Independence* for Independent Outside Officers. (The Company's website "Basic policies on corporate governance" (http://www.nippon-shinyaku.co.jp/company_profile/pdf/governance_policy1512.pdf)).
   The candidate for Outside Auditor in this proposal, Mr. Tsuyoshi Kondo meets the criteria.
   Other matters concerning the candidates for Outside Auditor are as follows:
   (1) If Mr. Tsuyoshi Kondo assumes office of Outside Auditor, the Company, in accordance with the stipulation of Article 427, Paragraph 1 of the Companies Act, plans to conclude liability limitation agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.
   (2) If Mr. Tsuyoshi Kondo assumes office of Outside Auditor, the Company plans to designate him as independent auditor stipulated by Tokyo Stock Exchange and report such designation to the Exchange.

* Criteria for judgment of independence

Outside executives (External Directors and Outside Auditors) and other candidates that do not come under any of the following categories shall be considered by the Company to have an adequate degree of independence.

(1) Current or past executive officers of the Company (including subsidiaries; likewise hereafter)
(2) Major trading partners of the Company, or their executive officers
(3) Parties for which the Company is a major transaction partner, or their executive officers
(4) Consultants, accountancy specialists or legal experts (in the case of corporations, associations and other groups, those who belong to such groups) who receive large sums of money or other assets from the Company in forms other than executive compensation
(5) Major shareholders of the Company or their executive officers
(6) Parties who receive significant monetary donations from the Company (in the case of corporations, associations and other groups, executive officers of such groups)
(7) Any close relative(s) of those specified in (1) to (6) who is a significant party

* Notes

(1) - (6) "Executive officers" above refers to executive directors, executive corporate officers or any other individuals or employees with equivalent status
(2) "Major trading partners of the Company" refers to any trading partner who has accounted for more than 2% of consolidated sales of the Company by transaction amount over the most recent business year
(3) "Parties for which the Company is a major transaction partner" refers to any trading partner for which the Company is deemed important; that is, the Company has accounted for more than 2% of its consolidated sales by transaction amount over the most recent business year
(4) and (6) "Large sums" refers to sums in excess of ¥10 million or exceeding 2% of consolidated sales or total revenues of the party in question
(5) "Major shareholders of the Company" means shareholders holding at least 10% of the total voting rights
(7) "Significant party" means executive officers of general manager grade or higher, and "close relatives" refers to spouse or family members in second degree