These documents have been translated from a part of Japanese originals for reference purposes only.
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(Securities Code 4521)
June 7, 2017

**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 97th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 97th 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 28, 2017 (Japan time).

1. **Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. (Japan time) (reception begins at 9:00 a.m.)

2. **Place:** Ueno TOH-TEN-KOH, 3rd Floor, "Ho-oh-no-ma"
4-1, Ikenohata 1-chome, Taito-ku, Tokyo, Japan
*Please note that the location of the meeting for this year is different from that for the previous year.

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 97th Fiscal Year (April 1, 2016 – March 31, 2017)
2. Non-Consolidated Financial Statements for the Company's 97th Fiscal Year (April 1, 2016 - March 31, 2017)

**Matters for Resolution :**

**Proposal No. 1:** Approval for the Appropriation of Surplus
**Proposal No. 2:** Election of Eight Directors
**Proposal No. 3:** Election of One Corporate Auditor
**Proposal No. 4:** Election of One Substitute Corporate Auditor
**Proposal No. 5:** 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, “Notes to Consolidated Financial Statements” and “Notes to 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 2016:

(1) Form of dividends

Cash

(2) Allocation of dividends to shareholders and total amount

¥75 per common share, total amount of ¥3,065,344,350

(3) Effective date of distribution of surplus for dividends

June 30, 2017

**Proposal No. 2: Election of Eight 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 eight Directors (including two Outside Directors).
The candidates for Director are as follows:

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, present position, and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Tetsuo Onuma<br>(November 30, 1950)</td><td>April 1974<br>April 2002<br><br>July 2004<br><br>June 2005<br><br>April 2007<br><br>June 2007<br><br>June 2011</td><td>Joined the Company<br>General Manager of Marketing Planning & Coordination Department of the Company<br>Corporate Officer, General Manager of Marketing Planning & Coordination Department of the Company<br>Director, General Manager of Marketing Planning & Coordination Department of the Company<br>Director, Chief Officer of Marketing & Sales Division of the Company<br>Managing Director, Chief Officer of Marketing & Sales Division of the Company<br>President and Representative Director of the Company (to present)</td><td>12,400 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]<br>Mr. Tetsuo Onuma has extensive experience in marketing sections, and subsequent to appointment as President and Representative Director of the Company in 2011, has achievements as an executive. 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.</td></tr>
<tr><td rowspan="2">2</td><td>Hirokazu Konishi<br>(October 7, 1953)</td><td>April 1977<br>April 2003<br>April 2005<br>April 2007<br><br>June 2009<br><br>June 2011<br><br>April 2017</td><td>Joined the Company<br>General Manager of Sapporo Branch of the Company<br>General Manager of Tokyo Branch II of the Company<br>General Manager of Marketing Planning & Coordination Department of the Company<br>Director, General Manager of Marketing Planning & Coordination Department of the Company<br>Managing Director, Chief Officer of Marketing & Sales Division of the Company<br>Managing Director of the Company (in charge of Marketing & Sales Division) (to present)</td><td>6,800 Shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]<br>Mr. Hirokazu Konishi has extensive experience in marketing sections, and subsequent to appointment as Chief Officer of Marketing & Sales Division of the Company in 2011, has achievements as the person responsible for the marketing & sales section. 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.</td></tr>
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<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, present position, and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Atsushi Takaoka<br>(June 28, 1955)</td><td>April 1978<br>June 2003<br><br>July 2004<br><br>June 2005<br><br>June 2007<br>June 2010<br><br>June 2014<br>June 2016<br><br><br><br>August 2016<br><br><br><br>October 2016</td><td>Joined The Norinchukin Bank<br>General Manager, Securities Operation Division of The Norinchukin Bank<br>Deputy General Manager, Osaka Branch of The Norinchukin Bank<br>General Manager of JA Bank System Management Division, The Norinchukin Bank<br>Managing Director, The Norinchukin Bank<br>Full-Time Audit & Supervisory Board Member, Nihon Unisys, Ltd.<br>Advisor of Okasan Securities Co., Ltd.<br>Managing Director of the Company (in charge of Accounting & Finance Department, Purchasing Department and Agrochemical & Animal Health Products Division)<br>Managing Director, General Manager of Purchasing Department of the Company (in charge of Accounting & Finance Department, Purchasing Department and Agrochemical & Animal Health Products Division)<br>Managing Director of the Company (in charge of Accounting & Finance Department and Agrochemical & Animal Health Products Division) (to present)</td><td>200 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]<br>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.</td></tr>
<tr><td rowspan="2">4</td><td>Fumihiro Watanabe<br>(May 14, 1960)</td><td>April 1984<br>April 2000<br>April 2007<br><br>April 2013<br><br>July 2013<br><br>April 2016<br>June 2016<br><br><br><br></td><td>Joined Toho Mutual Life Insurance Company<br>Joined the Company<br>General Manager of Accounting & Finance Department of the Company<br>General Manager of General Affairs Department of the Company<br>Corporate Officer, General Manager of General Affairs Department of the Company<br>Corporate Officer of the Company<br>Director of the Company (in charge of Corporate Planning & Coordination Department, Legal Affairs & Intellectual Property Department and Information System Department) (to present)</td><td>2,000 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]<br>Mr. Fumihiro Watanabe has extensive experience in accounting and finance sections, and serving as General Manager of Accounting & Finance Department and General Manager of General Affairs Department from 2007 onward, he has achievements in finance and IR, etc. 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.</td></tr>
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<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th colspan="2">Career summary, present position, and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td>Hiroyuki Horiuchi<br>(March 21, 1962)</td><td>April 1984<br>October 2010<br><br><br>April 2014<br>July 2015<br><br>April 2016<br><br>June 2016<br><br>April 2017</td><td>Joined the Company<br>General Manager of Hiroshima Branch (currently General Manager of Chugoku and Shikoku Branch) of the Company<br>General Manager of Osaka Branch of the Company<br>Corporate Officer, General Manager of Osaka Branch of the Company<br>Corporate Officer, General Manager of Marketing & Sales Department of the Company<br>Director, General Manager of Marketing & Sales Department of the Company<br>Director, Chief Officer of Marketing & Sales Division of the Company (to present)</td><td>2,400 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Director]<br>Mr. Hiroyuki Horiuchi has extensive experience in sales sections, and serving as General Manager of Hiroshima Branch (currently General Manager of Chugoku and Shikoku Branch) and General Manager of Osaka Branch from 2010 onward, he has achievements as a General Manager of Marketing & Sales Department. 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.</td></tr>
<tr><td rowspan="2">6</td><td>Chikara Ieda<br>(January 6, 1961)<br><br>New Candidate</td><td>April 1984<br>April 2009<br><br>April 2014<br><br>January 2015<br><br>July 2016<br><br>October 2016<br><br><br>April 2017</td><td>Joined the Company<br>General Manager of Clinical Development Department of the Company<br>General Manager of R&D Strategic Planning Department of the Company<br>General Manager of Project Management and Licensing Department of the Company<br>Corporate Officer, General Manager of Project Management and Licensing Department of the Company<br>Corporate Officer, Chief Officer of R&D Division, General Manager of Project Management and Licensing Department of the Company<br>Corporate Officer, Chief Officer of R&D Division of the Company (to present)</td><td>2,400 shares</td></tr>
<tr><td colspan="4">[Reasons for selection as candidate for Outside Director]<br>Mr. Chikara Ieda has extensive experience in the R&D Division, has served as General Manager of the R&D Division since 2009, and also has achievements as the person responsible for the R&D Division after assuming the position of Corporate Officer and Chief Officer of R&D Division. Thus, the Company has determined him to be suitable to serve as Director of the Company and selected him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Career summary, present position, and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">7</td><td>Eiki Enomoto<br>(May 22, 1969)<br><br>Outside Director<br><br>Independent Director</td><td>April 1999 Registered as attorney at law (Dai-ichi Tokyo Bar Association)<br>June 2005 Outside Auditor, ZENRIN CO., LTD.<br>August 2009 Established Ishii & Enomoto Law Office<br>Partner, Ishii & Enomoto Law Office (current position)<br>April 2014 Auditor, Dai-ichi Tokyo Bar Association<br>June 2014 Director of the Company (to present)<br>[Significant concurrent positions]<br>Partner, Ishii & Enomoto Law Office</td><td>200 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Outside Director]<br>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.</td></tr>
<tr><td rowspan="2">8</td><td>Yoshio Tanabe<br>(March 24, 1955)<br><br>Outside Director<br><br>Independent Director</td><td>April 1978 Joined Ministry of Foreign Affairs of Japan<br>October 1989 Joined McKinsey Japan<br>October 1993 Joined Otsuka Pharmaceutical Co., Ltd. (Board director status)<br>June 2001 Operating Officer, Otsuka Pharmaceutical Co., Ltd.<br>March 2008 Senior Managing Executive Officer, TOKUHON Corporation<br>June 2008 Senior Managing Director, TOKUHON Corporation<br>April 2009 President and Representative Director, TOKUHON Corporation<br>June 2013 Advisor, TOKUHON Corporation<br>June 2014 Retired TOKUHON Corporation<br>September 2014 Partner, KIZASHI Corporation (current position)<br>June 2016 Director of the Company (to present)<br>[Significant concurrent positions]<br>Partner, KIZASHI Corporation</td><td>200 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as candidate for Outside Director]<br>As Mr. Yoshio Tanabe has experience, achievements, and insights from being involved in management at the Ministry of Foreign Affairs and numerous companies, the Company has determined that he can utilize these in the management of the Company and has continued to select him as a candidate for Outside Director.</td></tr>
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Notes: 1. No material conflict of interest exists between the Company and the above candidates for Director.

2. Candidates for Director, Mr. Eiki Enomoto and Mr. Yoshio Tanabe, are candidates for Outside Director.
3. The Company has designated Mr. Eiki Enomoto and Mr. Yoshio Tanabe as Independent Directors /Corporate Auditors under the provisions of Tokyo Stock Exchange and submitted them to Tokyo Stock Exchange. Additionally, if their reappointment is approved, the Company will continue to have them serve as Independent Directors/Corporate Auditors.
4. Although Mr. Eiki Enomoto does not have any experience in getting involved in corporate management other than by means of serving as an outside officer, the Company considers that he can properly carry out his duties as Outside Director due to his experience and professional expertise through engaging in corporate legal work as an attorney at law. Mr. Eiki Enomoto's term of office as Outside Director will reach three years at the closing of the Meeting.
   Additionally, there are no advisory agreements between Ishii & Enomoto Law Office and the Company.
5. The term of office of Mr. Yoshio Tanabe as Outside Director of the Company will be one year at the closing of the Meeting. Additionally, there are no transactional relationships between KIZASHI Corporation and the Company.
6. The Company has entered into an agreement with Mr. Eiki Enomoto and Mr. Yoshio Tanabe to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided by laws and regulations. If Mr. Eiki Enomoto and Mr. Yoshio Tanabe are reappointed at the Meeting, the Company will continue the agreement with them.

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

Corporate Auditor of the Company, Mr. Masanori Aoyama will complete his term of office 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 position | | Number of shares of the Company held |
|---|---|---|---|
| Masanori Aoyama (April 5, 1956) | April 1980 | Joined the Company | 4,100 shares |
| | April 2009 | General Manager of Sapporo Branch of the Company | |
| | April 2012 | Senior Manager of Tokyo Branch (in charge of western area of Tokyo) of the Company | |
| | June 2013 | Full-time Corporate Auditor of the Company (to present) | |
| [Reasons for selection as candidate for Corporate Auditor]<br>Mr. Masanori Aoyama has extensive experience in marketing sections and as General Manager of the Sapporo Branch, etc. and has broad insight and knowledge regarding the Group's business. Thus, the Company has determined him to be suitable to continue serving as Corporate Auditor of the Company and selected him as a candidate for Corporate Auditor. | | | |

Note: No material conflict of interest exists between the Company and the above candidate for Corporate Auditor.

**Proposal No. 4: Election of One Substitute Corporate Auditor**

The term of election of one Substitute Corporate Auditor shall expire at the beginning of the meeting; therefore, to prepare for the shortage of Corporate Auditors, the Company proposes the election of one Substitute Corporate Auditor.

The Company will, only before the assumption of the office as Substitute Corporate Auditor, be able to cancel the election by the approval of the Board of Corporate Auditors and the resolution of the Board of Directors.

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

The candidate for Substitute Corporate Auditor is as follows:

| Name (Date of birth) | Career summary | | Number of shares of the Company held |
|---|---|---|---|
| Tsuyoshi Takada (July 28, 1972)<br><br>Outside Corporate Auditor | April 2000 | Registered as attorney at law | No shares |
| | April 2000 | Joined Torikai Law Office | |
| | May 2007 | Outside Auditor, The Maruetsu, Inc. (current position) | |
| | June 2007 | Outside Auditor, Topre Corporation | |
| | January 2008 | Partner, Torikai Law Office | |
| | June 2015 | Outside Director, Topre Corporation (current position) | |
| | January 2016 | Managing Partner, Wadakura Gate Law Office (current position) | |
| | | (to present) | |
| | [Significant concurrent positions]<br>Managing Partner, Wadakura Gate Law Office<br>Outside Auditor, The Maruetsu, Inc.<br>Outside Director, Topre Corporation | | |
| [Reasons for selection as candidate for Outside Corporate Auditor]<br>As Mr. Tsuyoshi Takada has specialized knowledge and experience as an attorney, the Company has determined that in the event that he is appointed as Outside Corporate Auditor, these can be utilized in the audit structure of the Company, and he has been selected as a candidate for Substitute Corporate Auditor. | | | |

Notes: 1. No material conflict of interest exists between the Company and the above candidate for Substitute Corporate Auditor.

2. Candidate for Substitute Corporate Auditor, Mr. Tsuyoshi Takada is a candidate for Outside Corporate Auditor.
3. If candidate for Substitute Outside Independent Corporate Auditor, Mr. Tsuyoshi Takada assumes the office of Corporate Auditor, he shall be designated as Corporate Auditor under the provisions of Tokyo Stock Exchange and be submitted to Tokyo Stock Exchange.
4. Mr. Tsuyoshi Takada has his professional expertise and experience as an attorney at law, of which the Company considers him to make use of for the auditing systems of the Company when he assumes the office of Substitute Corporate Auditor. Thus, the Company proposes to elect him as Substitute Corporate Auditor. Although Mr. Tsuyoshi Takada has not been involved in corporate management other than serving as an outside director and auditor, the Company considers that he can properly carry out his duties as Outside Corporate Auditor due to the above reasons. Additionally, there are no advisory agreements between Wadakura Gate Law Office and the Company. Furthermore, there are also no transactional relationships between The Maruetsu, Inc. and Topre Corporation and the Company.
5. Upon Mr. Tsuyoshi Takada's assumption of the office as Substitute Corporate Auditor, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act, to the minimum amount provided for by laws and regulations.

**Proposal No. 5: Grant of Bonuses to Directors**

The Company proposes that bonuses amounting to ¥127,920,000 be paid to 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.