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Securities Code: 4553
June 6, 2017

To our shareholders:

Itsuro Yoshida
President
TOWA PHARMACEUTICAL CO., LTD.
2-11, Shinbashi-cho, Kadoma, Osaka, JAPAN

NOTICE OF THE 61ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 61st Ordinary General Meeting of Shareholders of TOWA PHARMACEUTICAL CO., LTD. (the "Company"), which will be held as described below.
If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail, or via the Internet. Please review the appended Reference Documents for the General Meeting of Shareholders, then use either the website for exercising voting rights designated by the Company (http://www.evote.jp/) or the enclosed voting form to indicate your approval or disapproval of the proposals and, if using the latter, return it to us by postal mail. In either case, your response should reach us no later than 5:30 p.m. on Monday, June 26, 2017 (Japan Standard Time).

1. **Date and Time:** Tuesday, June 27, 2017 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** Headquarters of the Company
   Meeting room on the 2nd floor
   2-11, Shinbashi-cho, Kadoma, Osaka, JAPAN
3. **Purposes:**

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 61st Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Company Auditors
2. Non-Consolidated Financial Statements for the 61st Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

Proposal 1: Appropriation of surplus
Proposal 2: Election of ten (10) Directors
Proposal 3: Payment of retirement benefits to retiring Directors
Proposal 4: Payment of bonuses to Directors and Auditors

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company has a basic policy of paying dividends in accordance with earnings as we work to reinforce the foundations of our operations, and we consider it a major issue to continue to pay dividends in a stable manner to all shareholders.
Based on this policy and taking into consideration earnings in this business year as well as the future development of the business, after a careful review, the appropriation of surplus is as follows.

1. Matters related to year-end dividends
   (1) Type of dividend property
   Cash
   (2) Allocation of dividend property and total amount thereof
   47.50 yen per common share of the Company
   Total amount of dividends: 779,145,968 yen
   The Company paid an interim dividend of 47.50 yen per share, and thus the annual dividend for the fiscal year under review is 95 yen per share.
   (3) Effective date of distribution of dividends of surplus
   June 28, 2017
2. Matters related to other appropriation of surplus
   (1) Item of surplus to be decreased and amount of decrease thereof
   Retained earnings brought forward: 4,000,000,000 yen
   (2) Item of surplus to be increased and amount of increase thereof
   General reserve: 4,000,000,000 yen

Proposal 2: Election of ten (10) Directors

The terms of office of all thirteen (13) Directors will expire at the conclusion of this meeting. In that regard, the Company proposes the election of ten (10) Directors, including one (1) outside Director, reducing the number of Directors by three (3) to enable effective discussions and more strategic and flexible decision making in the Board of Directors.

The candidates for Director are as follows.

Candidate No.		Name	Position in the Company
1	Reelection	Itsuro Yoshida	President
2	Reelection	Toshio Shirakawa	Managing Director
3	Reelection	Kazuhiko Konno	Director
4	Reelection	Sadayuki Morino	Director
5	Reelection	Shigeru Maeyama	Director
6	Reelection	Kazuto Okimoto	Director
7	Reelection	Yasushi Naito	Director
8	New election	Masao Tanaka	Division Manager, Administration Division
9	New election	Kinji Nakajima	Division Manager, Production Division
10	Reelection Outside	Norikazu Eiki	Director

Note: The positions of the candidates for Director above are correct as of the time of this shareholder meeting.

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Itsuro Yoshida (April 27, 1951) Reelection	May 1979 Joined the Company Oct. 1983 General Manager of Finance & Accounting Department Dec. 1983 Director / General Manager of Finance & Accounting Department Aug. 1986 Director / General Manager of General Affairs Department Apr. 1990 Director / General Manager of President Office June 1990 Senior Managing Director / General Manager of President Office June 1991 Senior Managing Director / Division Manager, Production Division / General Manager of President Office Nov. 1991 Senior Managing Director / General Manager of President Office June 1996 President (to present) (significant concurrent positions outside the Company) Chairman, J-DOLPH PHARMACEUTICAL CO., LTD. Chairman, DAICHI KASEI CO., LTD.	485,103
	[Reasons for nomination as candidate for Director] Itsuro Yoshida has been involved in businesses, management and administration across the entire Group. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Toshio Shirakawa (October 12, 1952) Reelection	Sept. 1978 Joined ICI-Pharma Ltd. (currently AstraZeneca K.K.) Oct. 2006 Joined the Company / General Manager of Development Strategy Department, Research & Development Division Apr. 2008 General Manager of Product Portfolio Management Department, Corporate Planning Division Apr. 2010 General Manager of Product Strategy Management Department, Research & Development Division Apr. 2015 General Manager of Product Strategy Management Department June 2015 Managing Director / Director supervising Business Development Office and International Business Development Department / General Manager of Product Strategy Management Department Apr. 2017 Managing Director / Director in charge of Product Strategy Division, International Business Division and Development Planning Office (to present) (significant concurrent positions outside the Company) Chairman, Greencaps Pharmaceutical Co., Ltd.	1,613
	[Reasons for nomination as candidate for Director] Within the Company, Toshio Shirakawa has been involved mostly in the strategy and planning divisions. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Kazuhiko Konno (October 8, 1954) Reelection	Apr. 1977 Joined Kanto Ishi Pharmaceutical Co., Ltd., Nov. 1998 Joined the Company / Deputy General Manager of Quality Assurance Department, Yamagata Plant, Production Division Apr. 2005 General Manager of Quality Assurance Department, Yamagata Plant, Production Division Apr. 2007 General Manager of Quality Assurance Department, Pharmacovigilance & Quality Assurance Division Oct. 2009 Plant Manager, Osaka Plant, Production Division Apr. 2013 Deputy Division Manager, Production Division June 2013 Director / Deputy Division Manager, Production Division Apr. 2014 Director / Division Manager, Production Division Apr. 2017 Director / Director in charge of Production Division, Research & Development Division, Pharmaceutical Research & Technology Division and API Business Division (to present)	1,587
	[Reasons for nomination as candidate for Director] Within the Company, Kazuhiko Konno has been involved mostly in the production and quality assurance divisions. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Sadayuki Morino (February 17, 1954) Reelection	Sept. 1981 Joined the Company Apr. 2001 General Manager of Production Department, Production Division Oct. 2007 General Manager of Purchasing Department, Production Division Apr. 2008 General Manager of Purchasing Department, Administration Division Apr. 2013 Division Manager, Purchasing Division June 2013 Director / Division Manager, Purchasing Division (to present)	5,323
	[Reasons for nomination as candidate for Director] Within the Company, Sadayuki Morino has been involved mostly in the purchasing division. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Shigeru Maeyama (August 6, 1955) Reelection	Apr. 1979 Joined the Company Apr. 2003 General Manager of Product Development Department, Research & Development Division Oct. 2008 Deputy Division Manager, Research & Development Division June 2013 Director / Division Manager, Research & Development Division Apr. 2017 Director / Division Manager, Pharmacovigilance & Quality Assurance Division (to present)	2,329
	[Reasons for nomination as candidate for Director] Within the Company, Shigeru Maeyama has been involved mostly in the research & development division. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Kazuto Okimoto (August 14, 1957) Reelection	Apr. 1982 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Phama Inc.) Jan. 2008 Joined the Company / General Manager of Product Development Department Oct. 2008 General Manager of Product Development Department, Research & Development Division Apr. 2012 General Manager, Pharmaceutical Research & Technology Center Apr. 2013 Division Manager, Pharmaceutical Research & Technology Division June 2013 Director / Division Manager, Pharmaceutical Research & Technology Division Apr. 2017 Director / Director in charge of Innovative Technology Research Laboratory / Division Manager, Product Strategy Division (to present)	2,957
	[Reasons for nomination as candidate for Director] Within the Company, Kazuto Okimoto has been involved mostly in the pharmaceutical research & technology division. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Yasushi Naito (October 16, 1963) Reelection	Apr. 1990 Joined the Company Apr. 2011 General Manager of Pharmaceutical Sales Department VI, Sales & Marketing Division June 2012 General Manager of Sales & Marketing Planning Department, Sales & Marketing Division Apr. 2015 Deputy Division Manager, Sales & Marketing Division June 2015 Director / Director supervising Logistics Department / Division Manager, Sales & Marketing Division Apr. 2017 Director / Director in charge of Logistics Department / Division Manager, Sales & Marketing Division (to present)	1,597
	[Reasons for nomination as candidate for Director] Within the Company, Yasushi Naito has been involved mostly in the sales and marketing division. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has again nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Masao Tanaka (July 4, 1954) New election	Apr. 1978 Joined SANTEN PHARMACEUTICAL CO., LTD. Aug. 2002 General Manager of Corporate Communication Group, SANTEN PHARMACEUTICAL CO., LTD. Apr. 2007 Manager of Internal Auditing Group, SANTEN PHARMACEUTICAL CO., LTD. Mar. 2009 Team Manager of Finance Section Team, Finance & Accounting Department, SANTEN PHARMACEUTICAL CO., LTD. Apr. 2009 Joined the Company / General Manager of Internal Audit Office Oct. 2016 General Manager of Public Relations and Investor Relations Office / General Manager of Human Resources Department Apr. 2017 Division Manager, Administration Division (to present)	500
	[Reasons for nomination as candidate for Director] Masao Tanaka has been involved in the administration divisions. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
9	Kinji Nakajima (March 3, 1955) New election	Apr. 1977 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Phama Inc.) Apr. 2003 Plant Manager of Fuji Plant, Fujisawa Pharmaceutical Co., Ltd. Oct. 2003 Director and Plant Manager of Fuji Plant, Shizuoka Fujisawa Co., Ltd. Oct. 2008 President, Astellas Toyama Co., Ltd. (currently Astellas Pharma Tech Co., Ltd.) May 2011 Joined the Company / Deputy Plant Manager, Osaka Plant, Production Division Apr. 2012 Plant Manager, Okayama Plant, Production Division Oct. 2014 Deputy Division Manager, Production Division Apr. 2017 Division Manager, Production Division (to present)	1,000
	[Reasons for nomination as candidate for Director] Kinji Nakajima has been involved in the production divisions. He has extensive experience and knowledge regarding business management, administration and operations, which the Company expects to strengthen the decision-making function of the Board of Directors, for which reason it has nominated him as candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
10	Norikazu Eiki (April 17, 1948) Reelection Outside	Aug. 1979 Joined Ciba-Geigy Japan Limited Jan. 1994 Joined Bayer Yakuhin, Ltd Mar. 1997 Director / Plant Manager of Shiga Plant, Bayer Yakuhin, Ltd July 2002 President and Representative Director, Bayer Yakuhin, Ltd Jan. 2007 Chairman and Representative Director, Bayer Yakuhin, Ltd Apr. 2010 Chairman and Director, Bayer Yakuhin, Ltd May 2014 Outside Director of AnGes MG, Inc. (to present) June 2015 Outside Director of the Company (to present) Apr. 2016 Outside Director of Solasia Pharma K.K. (to present) (significant concurrent positions outside the Company) Outside Director of AnGes MG, Inc. (to present) Outside Director of Solasia Pharma K.K. (to present)	–
	[Reasons for nomination as candidate for outside Director] Norikazu Eiki has wide-ranging insights and extensive experience at a global company, and the Company expects that his advice and opinions will promote sound and efficient management, for which reason it has again nominated him as candidate for outside Director.		

Notes: 1. There is no special interest between any of the candidates and the Company.

2. Norikazu Eiki is a candidate for outside Director. The Company has submitted notification to the Tokyo Stock Exchange Inc. that he has been designated as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent officer to continue.
3. Norikazu Eiki is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure as an outside Director will have been two (2) years.
4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Norikazu Eiki to limit his liability for damages under Article 423, paragraph 1 of the same Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If his reelection is approved, the Company plans to continue the said agreement with him.

Proposal 3: Payment of retirement benefits to retiring Directors

Directors Takashi Osawa, Keiji Yabushita, Yoshiaki Nishikawa, Takashi Mukuta and Satoru Nagamura will retire due to the expiration of the term of office at the conclusion of this meeting. In order to recognize their meritorious service, it is proposed that a retirement bonus be awarded within the reasonable extent in accordance with the prescribed standards of the Company.

It is proposed that the specific amount allocated to each Director, the timing and the method of the award shall be left to the discretion of the Board of Directors.

The career summaries of retiring Directors are as follows.

Name	Career summary	
Takashi Osawa	June 2007	Director of the Company
	June 2009	Managing Director
	June 2013	Senior Managing Director (to present)
Keiji Yabushita	June 2007	Director of the Company (to present)
Yoshiaki Nishikawa	June 2007	Director of the Company (to present)
Takashi Mukuta	June 2013	Director of the Company (to present)
Satoru Nagamura	June 2015	Director of the Company (to present)

Proposal 4: Payment of bonuses to Directors and Auditors

Taking into account earnings for the fiscal year under review and other considerations, the Company has determined the Directors' bonus amounts as follows. It is proposed that the thirteen (13) Directors (including one (1) Outside Director) and four (4) Auditors (including two (2) Outside Auditors) serving at the end of the fiscal year under review will be paid Directors' bonuses totaling 72 million yen, down 14 million yen over the previous fiscal year and consisting of 62 million yen for Directors (including 2 million yen for the Outside Director) and 9 million yen for Auditors (including 1 million yen for Outside Auditors).
The amount allocated to each Director is a matter to be determined by the Board of Directors, and the amount allocated to each Auditor is a matter to be determined by Board of Company Auditors.