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Securities Code: 4553
June 5, 2018

To our shareholders:

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

NOTICE OF THE 62ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 62nd 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, and 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 5:40 p.m. on Monday, June 25, 2018 (Japan Standard Time).

1. Date and Time: Tuesday, June 26, 2018 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 62nd fiscal year (from April 1, 2017 to March 31, 2018), 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 62nd fiscal year (from April 1, 2017 to March 31, 2018)

Items to be resolved:
Proposal 1: Appropriation of surplus
Proposal 2: Election of one (1) Director
Proposal 3: Payment of retirement benefits to retired and retiring Directors and final payment of retirement benefits in conjunction with the abolition of retirement benefit plan for officers
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 the fiscal year under review as well as the future development of the business, after a careful review, the appropriation of surplus is as follows.

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 27, 2018

Proposal 2: Election of one (1) Director

The Company will increase the number of Outside Directors by one (1) to improve and enhance the corporate governance, and it proposes the election of one (1) Director.
In addition, as provided for in the Company's Articles of Incorporation, the term of office of the Director elected at this meeting will be until the terms of office of the other currently serving Directors expire.

The candidate for Director is as follows.

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
Hidehito Nemoto (September 3, 1961) New election Outside Director	Oct. 1987	KPMG Minato Audit Corporation (currently KPMG AZSA LLC)	-
	July 1991	Registered as Certified Public Accountant	
	Oct. 1995	Seconded to KPMG Consulting Co., Ltd.	
	Sep. 2001	Managing Director, KPMG Consulting Co., Ltd.	
	Feb. 2005	Joined KPMG Business Assurance Co., Ltd. Executive Officer and Partner	
	July 2009	Representative Partner, KPMG AZSA & Co. (currently KPMG AZSA LLC)	
	Apr. 2012	Joined IBM Japan, Ltd. Partner and Leader of Industrial Products Services Sector, Global Business Services Division	
	Jan. 2016	General Manager of Industrial Global Projects, Industrial Services Sector, Global Business Services Division, IBM Japan, Ltd. (to present)	
	(significant concurrent positions outside the Company) General Manager of Industrial Global Projects, Industrial Services Sector, Global Business Services Division, IBM Japan, Ltd. (to present)		

Notes: 1. Hidehito Nemoto is a new candidate for Director.

2. Hidehito Nemoto is no special interest with the Company.

3. Hidehito Nemoto is a candidate for Outside Director. Hidehito Nemoto satisfies requirements for an independent officer pursuant to the rules of the Tokyo Stock Exchange Inc., and the Company plans for his appointment as an independent officer if his election is approved by this meeting.

4. The Company proposes Hidehito Nemoto as Outside Director as he has expert knowledge and experience accumulated through his management consulting work, extensive knowledge and experience in the fields of finance and accounting, etc., gained from being a certified public accountant, and also has deep knowledge of the event surrounding corporate management, including in IT and information communications. The candidate has not been directly involved in corporate management, but for the above reasons, the Company has determined that he would perform his duties appropriately as Outside Director.

5. If his election is approved, pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act, the Company plans to conclude an agreement with Hidehito Nemoto to limit his liability for damages under Paragraph 1, Article 423 of the same act to the minimum liability amount provided for by Paragraph 1, Article 425 of the same act.

Proposal 3: Payment of retirement benefits to retired and retiring Directors and final payment of retirement benefits in conjunction with the abolition of retirement benefit plan for officers

Kinji Nakajima retired due to resignation as Director on April 30, 2018, and Kazuto Okimoto will retire due to resignation as Director upon the conclusion of this meeting.

In addition, the Company, as a part of its corporate governance reform, conducted a review of the officer compensation system, and at the meeting of the Board of Directors held on May 14, 2018, resolved to abolish the officer retirement benefit plan upon the conclusion of this meeting.

In this regard, it is proposed that retirement benefits be awarded to two (2) Directors retired and retiring due to resignation to recognize their service, and a final payment of retirement benefits be paid to eight (8) Directors (including one (1) Outside Director) and four (4) Auditors (including two (2) Outside Auditors) serving as of the conclusion of this meeting to recognize their service from their appointment to the conclusion of this meeting. The Company would like to pay an amount of up to 335 million yen for Directors (including 1 million yen for Outside Director) and 15 million yen for Auditors in accordance with the prescribed standards of the Company.

It is proposed that the specific amount, timing and method of the award to retired and retiring Directors shall be left to the discretion of the Board of Directors. In addition, the timing of the payment to each Director and Auditor serving as of the conclusion of this meeting shall be upon their respective retirement, and the specific amount and method, etc. are matters to be determined by the Board of Directors, with respect to Directors, and matters to be determined by the Board of Company Auditors, with respect to Auditors.

The career summaries of Directors who retired or will retire due to resignation are as follows.

Name	Career summary	
Kinji Nakajima	June 2017 Apr. 2018	Director of the Company Retired from Director
Kazuto Okimoto	June 2013	Director of the Company (to present)

The career summaries of Directors and Auditors serving as of the conclusion of this meeting are as follows.

Name	Career summary	
Itsuro Yoshida	Dec. 1983 June 1990 June 1996	Director of the Company Senior Managing Director of the Company Representative Director (to present)
Toshio Shirakawa	June 2015	Managing Director (to present)
Kazuhiko Konno	June 2013 June 2017	Director of the Company Managing Director (to present)
Sadayuki Morino	June 2013	Director of the Company (to present)
Shigeru Maeyama	June 2013	Director of the Company (to present)
Yasushi Naito	June 2015	Director of the Company (to present)
Masao Tanaka	June 2017	Director of the Company (to present)
Norikazu Eiki	June 2015	Outside Director of the Company (to present)
Kazuo Kurihara	June 2011	Full-time Auditor of the Company (to present)
Takehisa Minaki	June 2007 June 2011	Full-time Auditor of the Company Auditor (to present)
Jitsuhiko Morino	June 1994	Outside Auditor of the Company (to present)
Junji Mimura	June 2015	Outside Auditor of the Company (to present)

Proposal 4: Payment of bonuses to Directors and Auditors

Taking into account earnings for the fiscal year under review, the amounts of past payments of bonuses to Directors and Auditors, and other considerations, the Company has determined the bonus amounts as follows. Ten (10) Directors (including one (1) Outside Director) and four (4) Auditors (including two (2) Outside Auditors) at the end of the fiscal year under review will be paid the bonuses totaling 95 million yen, consisting of 86 million yen for Directors (including 3 million yen for 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 the Board of Company Auditors.