

These documents have been translated from a part of Japanese originals for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the Japanese originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code 4521)
June 11, 2020

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 100th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are hereby informed that the 100th Ordinary General Meeting of Shareholders of KAKEN PHARMACEUTICAL CO., LTD. (the “Company”) (the “Meeting”) will be held for the purposes as described below.

In order to prevent the spread of the novel coronavirus (COVID-19) infection, we strongly request our shareholders to exercise their voting right in writing or via the Internet in advance as much as possible, and refrain from attending the Meeting in person regardless of your health condition. If you exercise your voting right in writing or via the Internet, please review the Reference Documents for the Meeting (attached hereto) and exercise your voting right by 5:30 p.m. on Thursday, June 25, 2020 (Japan standard time).

[Exercising voting rights in writing]

Please indicate your approval or disapproval for the proposals on the enclosed Voting Rights Exercise Form and return it to the Company so that it is received by the deadline above.

[Exercising voting rights via the Internet]

Please refer to “Exercising Voting Rights via the Internet” on pages 3 and 4 of the Japanese original version (in Japanese only) and follow the on-screen instructions to enter your approval or disapproval for the proposals by the deadline above.

If voting rights are exercised both in writing and via the Internet, the vote submitted via the Internet shall be treated as the valid exercise of voting rights.

If voting rights are exercised via the Internet more than once, the final vote submitted shall be treated as the valid exercise of voting rights.

- 1. Date and Time:** Friday, June 26, 2020 at 10:00 a.m. (Japan standard time) (reception desk opens 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
- 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 100th Fiscal Year (April 1, 2019 - March 31, 2020)
 2. Non-Consolidated Financial Statements for the Company’s 100th Fiscal Year (April 1, 2019 - March 31, 2020)
- Matters for Resolution:**
- Proposal No. 1:** Approval for the Appropriation of Surplus
- Proposal No. 2:** Election of Nine Directors
- Proposal No. 3:** 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 these documents are not attached to 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, a written proof of proxy must be submitted to the Company.

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 2019:

(1) Form of dividends

Cash

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

¥75 per common share

Total amount of ¥ 2,921,869,050

Since the Company has paid the interim dividend of ¥75 per share, the annual dividend for the fiscal year under review will be ¥150 per share.

(3) Effective date of distribution of surplus for dividends

June 29, 2020

Proposal No. 2: Election of Nine 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 nine Directors (including three Outside Directors) with the addition of one Director to further strengthen development pipelines amid an increasingly severe management environment. The candidates for Director were determined by the Board of Directors upon deliberation by the Nomination and Compensation Committee, the majority of whose members are 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	Male	Tetsuo Onuma	Reappointment	President and Representative Director	100% (16/16 meetings)
2	Male	Hiroyuki Horiuchi	Reappointment	Managing Director, Chief Officer of Marketing & Sales Division	100% (16/16 meetings)
3	Male	Fumihiko Watanabe	Reappointment	Director, in charge of Corporate Planning & Coordination Department, Legal Affairs & Intellectual Property Department, Information System Department, and Drug information & Marketing Supervision Department	100% (16/16 meetings)
4	Male	Yoshio Tanabe	Reappointment	Outside Director	100% (16/16 meetings)
5	Male	Masahiro Matsuura	New Candidate	Corporate Officer, in charge of Business Development Department	-
6	Male	Minoru Ohta	New Candidate	-	-
7	Male	Eiki Enomoto	Reappointment Outside Independent	Outside Director	100% (16/16 meetings)
8	Female	Kiyoko Kamibeppu	Reappointment Outside Independent	Outside Director	84.6% (11/13 meetings)
9	Male	Shoichiro Takagi	New Candidate Outside Independent	-	-

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
1	Tetsuo Onuma (November 30, 1950) Male Reappointment	April 1974	Joined the Company	14,300 shares
		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)	
		[Reasons for selection as candidate for Director] Mr. Tetsuo Onuma has extensive experience in marketing sections, and has demonstrated achievements as an executive after 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) Male Reappointment	April 1984	Joined the Company	4,200 shares
		October 2010	General Manager of Hiroshima 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	
		June 2018	Managing Director, Chief Officer of Marketing & Sales Division of the Company (to present)	
[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 after 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, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
3	Fumihiro Watanabe (May 14, 1960) Male Reappointment	April 1984	Joined Toho Mutual Life Insurance Company	3,300 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)	
		May 2019	Director of the Company (in charge of Corporate Planning & Coordination Department, Legal Affairs & Intellectual Property Department, Information System Department, and Drug information & Marketing Supervision Department) (to present)	
[Reasons for selection as candidate for Director] Mr. Fumihiro 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.				
4	Yoshio Tanabe (March 24, 1955) Male Reappointment	April 1978	Joined Ministry of Foreign Affairs of Japan	1,500 shares
		October 1989	Joined McKinsey & Company, Inc., Japan	
		October 1993	Joined Otsuka Pharmaceutical Co., Ltd. (Board Director status)	
		June 2001	Operating Officer, Otsuka Pharmaceutical Co., Ltd.	
		March 2008	Senior Managing Executive Officer, TOKUHON Corporation	
		June 2008	Senior Managing Director, TOKUHON Corporation	
		April 2009	President and Representative Director, TOKUHON Corporation	
		June 2013	Advisor, TOKUHON Corporation	
		June 2014	Retired TOKUHON Corporation	
		September 2014	Partner, KIZASHI Corporation	
		June 2016	Director of the Company (current position)	
		September 2017	Representative Director, Medical Opinion Co., Ltd.	
		April 2020	Resigned from Representative Director, Medical Opinion Co., Ltd.	
		May 2020	Resigned from Partner, KIZASHI Corporation (to present)	
[Reasons for selection as candidate for Director] Mr. Yoshio Tanabe has experience and achievements from being involved in management at the Ministry of Foreign Affairs and numerous companies. The Company believes that he can utilize 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.				

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions		Number of Shares of the Company Held
5	Masahiro Matsuura (August 19, 1969) Male New Candidate	April 1994 April 2016 July 2018 April 2020	Joined the Company General Manager of Corporate Planning & Coordination Department of the Company Corporate Officer, General Manager of Corporate Planning & Coordination Department of the Company Corporate Officer of the Company (in charge of Business Development Department) (to present)	2,500 shares
	[Reasons for selection as candidate for Director] Mr. Masahiro Matsuura has extensive experience in marketing sections, and has demonstrated achievements in corporate governance and management strategy, etc. after appointment as General Manager of Corporate Planning & Coordination Department in 2016. Thus, the Company has determined him to be suitable to serve as Director of the Company and selected him as a candidate for Director.			
6	Minoru Ohta (December 19, 1958) Male New Candidate	April 1982 June 2007 July 2009 June 2010 June 2012 June 2014 August 2014 August 2017	Joined The Norinchukin Bank General Manager, Nagoya Branch of The Norinchukin Bank General Manager of JA Bank System Management Division, The Norinchukin Bank Representative Director and President, Kyodo Housing Loan Co., Ltd. Managing Director, The Norinchukin Bank Advisor, Norinchukin Research Institute Co., Ltd. Managing Director, Central Union of Agricultural Cooperatives Representative Director and President, Nochu Business Support Co., Ltd. (current position) (scheduled to resign from the post on June 25, 2020) (to present)	0 shares
	[Reasons for selection as candidate for Director] Mr. Minoru Ohta has extensive experience and achievements serving at financial institutions. The Company believes that he can utilize his broad insights fostered in these duties in the business execution of the Company, and the Company has determined him to be suitable to serve as Director of the Company and selected him as a candidate for Director.			
7	Eiki Enomoto (May 22, 1969) Male Reappointment Outside Director Independent Director	April 1999 June 2005 August 2009 April 2014 June 2014 April 2018 January 2019 [Significant concurrent positions]	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 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) Established Enomoto & Fujimoto Law Office Partner, Enomoto & Fujimoto Law Office (current position) (to present) Partner, Enomoto & Fujimoto Law Office Professor, The Legal Training and Research Institute, The Supreme Court of Japan	500 shares
	[Reasons for selection as candidate for Outside Director] The Company has determined that Mr. Eiki Enomoto can utilize his experience and professional expertise he gained through engaging in corporate legal work as an attorney at law in the management of the Company and selected him again as a candidate for Outside Director for the consecutive term.			

No.	Name (Date of Birth)	Career Summary, Present Position, Responsibilities, and Significant Concurrent Positions	Number of Shares of the Company Held
8	Kiyoko Kamibeppu (April 12, 1955) Female Reappointment Outside Director Independent Director	<p>April 2001 Assistant Professor, Nihonbashi Gakkan University (currently Kaichi International University)</p> <p>April 2002 Assistant Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo</p> <p>December 2012 Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo (current position)</p> <p>April 2013 Assumed the position of Department Director, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo</p> <p>March 2015 Resigned from the position of Department Director, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo</p> <p>April 2017 Resumed the position of Department Director, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo (current position)</p> <p>June 2019 Director of the Company (current position) (to present)</p> <p>[Significant concurrent positions] Professor, Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo</p>	0 shares
<p>[Reasons for selection as candidate for Outside Director] As Ms. Kiyoko Kamibeppu has extensive professional expertise, experience, and an insight as a Doctor of Health Science and a Professor of Graduate School, the Company has determined that she can utilize these in the management of the Company and selected her again as a candidate for Outside Director for the consecutive term.</p>			
9	Shoichiro Takagi (January 13, 1961) Male New Candidate Outside Director Independent Director	<p>April 1983 Joined the Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.)</p> <p>November 2002 Representative Director and President, Iipingshang Foods Corporation</p> <p>March 2007 Representative Director and President, Saint-Germain Co., Ltd</p> <p>June 2011 Member of the Board, Director, Deputy Leader of Pharmaceutical Marketing & Promotion Group, TORII PHARMACEUTICAL CO., LTD.</p> <p>June 2013 Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD.</p> <p>March 2019 Resigned from Representative Director, President and Chief Executive Officer, TORII PHARMACEUTICAL CO., LTD.</p> <p>March 2019 Part-time Advisor, Pharmaceutical Business, Japan Tobacco Inc.</p> <p>December 2019 Retired from Japan Tobacco Inc. (to present)</p>	0 shares
<p>[Reasons for selection as candidate for Outside Director] As Mr. Shoichiro Takagi has experience, achievements, and insights from being involved in management at several companies including the pharmaceutical industry, the Company has determined that he can utilize these in the management of the Company and selected him as a candidate for Outside Director.</p>			

- (Notes) 1. There is no special interest between the Company and any of the above candidates for Director.
2. Mr. Eiki Enomoto, Ms. Kiyoko Kamibeppu and Mr. Shoichiro Takagi are candidates for Outside Directors.
3. Mr. Eiki Enomoto and Ms. Kiyoko Kamibeppu have been designated as Independent Directors/Corporate Auditors by the Company under the provisions of Tokyo Stock Exchange, and the notification was submitted to Tokyo Stock Exchange. If their reappointment is approved, the Company will continue to have them serve as Independent Directors/Corporate Auditors. Additionally, the Company also plans to designate Mr. Shoichiro Takagi as an Independent Director/Corporate Auditor and plans to submit a notification to Tokyo Stock Exchange.
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 as Outside Director of the Company will reach six years at the closing of the Meeting.

Additionally, there are no advisory agreements between Enomoto & Fujimoto Law Office and the Company. There are no transactional relationships between The Legal Training and Research Institute of The Supreme Court of Japan and the Company.

5. Although Ms. Kiyoko Kamibeppu does not have any experience in getting directly involved in corporate management before assuming the office of Director of the Company, the Company considers that she can properly carry out her duties as Outside Director due to her extensive professional expertise, experience, and an insight as a Doctor of Health Science and a Professor of Graduate School. Ms. Kiyoko Kamibeppu's term as Outside Director of the Company will be one year at the closing of the Meeting.
Ms. Kiyoko Kamibeppu is a Professor of Health Sciences and Nursing, Graduate School of Medicine at the University of Tokyo. The Company donates to the University of Tokyo, but this donation is not provided to individual professors or the Department of Health Sciences and Nursing with which she is affiliated. In addition, the donation amount is less than 0.1% of the ordinary expenses and ordinary revenue of the university in the most recent fiscal year, and is less than ¥10 million throughout the year, and in light of its amount and nature, the Company considers there is no risk of conflicts of interest with the general shareholders.
6. TORII PHARMACEUTICAL CO., LTD., where Mr. Shoichiro Takagi served as Representative Director, President and Chief Executive Officer until March 2019, was subject to a cease and desist order and a surcharge payment order under the Antimonopoly Act from the Japan Fair Trade Commission in March 2020 for the sale of the "Calvan Tablets" conducted during his tenure.
7. The Company has an agreement with Mr. Eiki Enomoto and Ms. Kiyoko Kamibeppu 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 Ms. Kiyoko Kamibeppu are reappointed at the Meeting, the Company will continue the said agreement with them. Additionally, if the election of Mr. Shoichiro Takagi is approved, the Company plans to enter into an agreement to limit his liability for damages identical to the agreement mentioned above.
8. Ms. Kiyoko Kamibeppu, a candidate for Director, holds equity interest equivalent to 83 shares of the Company in the Officer Shareholding Association.

Proposal No. 3: Grant of Bonuses to Directors

The Company proposes that bonuses amounting to ¥93,320,000 be paid to the five 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.

This proposal was determined by the Board of Directors upon deliberation by the Nomination and Compensation Committee, the majority of whose members are Outside Directors.

It is also proposed that amount of the bonus to each Director be decided at the board of directors meeting.