

This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.

Securities Code: 4555

June 2, 2016

To Shareholders:

5-2-30 Miyahara, Yodogawa-ku, Osaka

Sawai Pharmaceutical Co., Ltd.

Mitsuo Sawai, President, Representative
Director

Notice of the 68th Annual General Meeting of Shareholders

We offer our sincere condolences and sympathies on the loss to those affected by the 2016 Kumamoto earthquakes, and express our wishes for the earliest possible recovery and restoration of the areas affected.

The Company hereby requests that shareholders attend the Company's 68th Annual General Meeting of Shareholders (the "Annual Meeting") as described below.

If you are unable to attend the Annual Meeting, you may exercise your voting rights by mail or via the Internet. For this purpose, we kindly request you to read the "Guidance for Exercising Voting Rights" on pages 11 to 12 of the "Reference Documents for the Annual General Meeting of Shareholders" attached hereto and exercise your voting rights no later than 5:20 p.m., on June 23, 2016 (Thursday; Japan time).

Sincerely yours,

1. **Date:** 10:00 a.m., June 24 (Friday), 2016 (Japan time)
2. **Venue:** 10th Floor Hall, The Company's Head Office and Research Laboratories
5-2-30 Miyahara, Yodogawa-ku, Osaka
3. **Purposes:**
 - Items to be reported:**
 1. Business Report, Consolidated Financial Statements and results of audits by Accounting Auditor and Audit & Supervisory Board on the Consolidated Financial Statement for the 68th Fiscal Year (from April 1, 2015 to March 31, 2016)
 2. Non-Consolidated Financial Statements for the 68th Fiscal Year (from April 1, 2015 to March 31, 2016)
 - Items to be resolved:**
 - Agenda No. 1:** Appropriation of Surplus
 - Agenda No. 2:** Election of Eight (8) Directors
 - Agenda No. 3:** Election of Three (3) Audit & Supervisory Board Members

-
1. The following notes are available on the Company's website (<http://www.sawai.co.jp>) in accordance with the provisions of laws and regulations and Article 15 of its Articles of Incorporation (they are not included in the attachments to this Notice):

- (1) Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements in the Consolidated Financial Statements
 - (2) Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements in the Non-consolidated Financial Statements

The Consolidated Financial Statements and the Non-Consolidated Financial Statements contained in the attachments to this Notice are a part of the financial statements and documents that were subject to audit by Audit & Supervisory Board Members and Accounting Auditor for the purpose of preparing their Audit Reports.

2. In the case of any revision to the Business Report, the Consolidated or Non-Consolidated Financial Statements, or the Reference Documents for the Annual Meeting, such revisions will be listed on the Company's website. (URL: <http://www.sawai.co.jp>)
3. When you attend the meeting, we kindly request you to submit the enclosed voting form to the receptionist at the venue.

Reference Documents for the Annual General Meeting of Shareholders

Meeting Agenda and Notes:

Agenda No. 1: Appropriation of Surplus

Recognizing proactive return of profits to the shareholders to be a significant managerial issue and taking into account various factors, including its performance during the current period, strengthening its corporate structure, and future business development, the Company proposes the following Appropriation of Surplus for the 68th Fiscal Year:

1. Year-end dividend
 - (1) Allocation of dividend and total amount of dividend
Dividend per common share of the Company: 65 yen
The total amount of dividend: 2,396,358,185 yen
 - (2) Effective date on which dividend is to be disbursed:
June 27, 2016
2. Other allocation of surplus
 - (1) Item and amount of surplus to be decreased
Retained earnings brought forward: 2,000,000,000 yen
 - (2) Item and amount of surplus to be increased
General reserve: 2,000,000,000 yen

Agenda No. 2: Election of Eight (8) Directors

As the terms of office of all ten (10) Directors expire at the conclusion of the Annual Meeting, the Company proposes the reduction of the number of Directors by two (2) and the election of eight (8) Directors, including two (2) External Directors.

The candidates for Director are as follows.

No. of Candi-date	Name (Date of birth)	Brief profile, position, responsibility, and significant concurrent position		Number of the Company's shares owned
1	Hiroyuki Sawai (February 21, 1938)	April 1963	Joined the Company	632,000 shares
		August 1968	Managing Director of the Company	
		April 1978	Representative Senior Managing Director of the Company	
		September 1988	President, Representative Director of the Company	
		June 2008	Chairman, Representative Director of the Company (incumbent)	
2	Mitsuo Sawai (September 28, 1956)	January 1989	Joined the Company	948,200 shares
		June 2000	Director Deputy Vice President, Sales Division General Manager, Sales Planning Department of the Company	
		June 2002	Managing Director Vice President, Sales Division General Manager, Sales Planning Department of the Company	
		June 2005	Senior Managing Director Vice President, Sales Division of the Company	
		June 2008	President, Representative Director of the Company (incumbent)	

No. of Candi- date	Name (Date of birth)	Brief profile, position, responsibility, and significant concurrent position		Number of the Company's shares owned
3	Takashi Iwasa (July 9, 1952)	<p>April 1979 June 1994</p> <p>June 1998</p> <p>June 2002</p> <p>January 2008</p> <p>June 2012</p> <p>June 2013</p>	<p>Joined the Company</p> <p>Director General Manager, Corporate Planning Office of the Company</p> <p>President, Representative Director of Medisa Shinyaku Inc.</p> <p>Managing Director General Manager, Corporate Planning Department of the Company</p> <p>Managing Director Vice President, Sales Division of the Company</p> <p>President, Representative Director of Kaken Shoyaku Co., Ltd. (incumbent)</p> <p>Director Senior Executive Officer Vice President, Sales Division of the Company (incumbent)</p>	9,400 shares
4	Minoru Kodama (September 8, 1953)	<p>April 1976</p> <p>May 2006 June 2007</p> <p>June 2007</p> <p>June 2008 April 2011</p> <p>June 2012</p> <p>June 2013</p>	<p>Joined The Sanwa Bank, Limited (currently The Bank of Tokyo- Mitsubishi UFJ, Ltd.)</p> <p>Joined the Company</p> <p>Director of Kaken Shoyaku Co., Ltd. (incumbent)</p> <p>Director General Manager, Corporate Planning Department of the Company</p> <p>Director of Medisa Shinyaku Inc.</p> <p>Senior Managing Director of Medisa Shinyaku Inc. (incumbent)</p> <p>Managing Director Vice President, Corporate Administration Division Deputy Vice President, Sales Division of the Company</p> <p>Director Senior Executive Officer Vice President, Corporate Administration Division Deputy Vice President, Sales Division of the Company (incumbent)</p>	8,000 shares

No. of Candi- date	Name (Date of birth)	Brief profile, position, responsibility, and significant concurrent position		Number of the Company's shares owned
5	Kenzo Sawai (May 26, 1968)	April 1995 April 2001 June 2010 June 2013	Joined Sumitomo Pharmaceuticals Co., Ltd. (currently Sumitomo Dainippon Pharma Co., Ltd.) Joined the Company Director General Manager, Corporate Strategy Department of the Company Director Senior Executive Officer General Manager, Corporate Strategy Department Deputy Vice President, Sales Division of the Company (incumbent)	854,000 shares
6	Shinichi Tokuyama (June 29, 1950)	October 1977 June 2005 June 2005 June 2012 June 2013 June 2014	Joined the Company Director Acting Vice President, Research & Development Division General Manager, Development Department of the Company Director of Medisa Shinyaku Inc. President, Representative Director of Medisa Shinyaku Inc. (incumbent) Executive Officer Deputy Vice President, Research & Development Division General Manager, Intellectual Property Department of the Company Director Senior Executive Officer Vice President, Research & Development Division of the Company (incumbent)	9,100 shares
7	Hidefumi Sugao (August 31, 1947)	April 1979 June 1982 May 1994 June 2007 June 2012	Registered as an attorney Established Sugao Law Office (incumbent) External Director of Nishimatsuya Chain Co., Ltd. (incumbent) Audit & Supervisory Board Member of the Company Director of the Company (incumbent)	1,700 shares

No. of Candi- date	Name (Date of birth)	Brief profile, position, responsibility, and significant concurrent position		Number of the Company's shares owned
8	Nawomi Todo (September 17, 1959)	June 1984	Obtained medical license	— shares
		July 1984	Staff Doctor at Osaka University Hospital	
		July 1987	Staff Doctor at Osaka Police Hospital, Association of Osaka Police Foundation	
		July 1990	Staff Doctor at Nissay Hospital	
		January 2002	Staff Doctor at Osaka-tetsusyou Health Insurance Society (incumbent)	
		January 2007	Obtained Certified Occupational Physician Qualification of Japan Medical Association	
		June 2015	Director of the Company (incumbent)	

Notes:

1. There are no particular conflicts of interest between each candidate and the Company.
2. Reasons for nomination as candidates for Director are as follows.
 - (1) Mr. Hiroyuki Sawai is well-versed in the generic drug business, based on his experience working on the dissemination of generic drugs and related educational activities for many years in Japan. The Company expects that his track record, abilities, and extensive experience will continue to be required for the Company's management. Therefore, the Company has proposed him as a candidate for Director.
 - (2) Mr. Mitsuo Sawai is well-versed in the generic drug business. The Company expects that his track record, abilities, and experience as a person driving the sustainable growth of the corporate value of the Sawai Group will continue to be required by the Company's management. Therefore, the Company has proposed him as a candidate for Director.
 - (3) Mr. Takashi Iwasa has extensive working experience in the Company's generic drug business based on his background in corporate planning and sales division, etc. The Company expects that his track record and experience will continue to be required by the Company's management. Therefore, the Company has proposed him as a candidate for Director.
 - (4) Mr. Minoru Kodama has a high level of expertise in finance and deep insights into corporate management based on his extensive experience at financial institutions. The Company expects that his expertise and insights will continue to be required by the Company's management. Therefore, the Company has proposed him as a candidate for Director.
 - (5) Mr. Kenzo Sawai is well-versed in the generic drug business. The Company expects that his track record and abilities as a person with strategic planning and implementation abilities for supporting the Sawai Group's growth in the medium term will continue to be required by the Company's management. Therefore, the Company has proposed him as a candidate for Director.
 - (6) Mr. Shinichi Tokuyama has extensive experience in the research and development of generic drugs. The Company expects that his expertise and experience will continue to be required by the Company's management. Therefore, the Company has proposed him as a candidate for Director.
 - (7) Mr. Hidefumi Sugao has extensive professional knowledge and experience, etc. gained as an External Director of another listed company and External Audit & Supervisory Board Member of the Company, as well as his activities as an attorney. The Company expects him to continue providing beneficial advice from an independent perspective. Therefore, the Company has proposed him as a candidate for External Director.
 - (8) Ms. Nawomi Todo has extensive professional knowledge and experience, etc. as a medical doctor. The Company expects her to continue providing beneficial advice from an independent perspective. Therefore, the Company has proposed her as a candidate for External Director.

3. Other notes for the candidates for External Director are as follows.
- (1) Mr. Hidefumi Sugao and Ms. Nawomi Todo are candidates for External Director. The Company has nominated Mr. Hidefumi Sugao and Ms. Nawomi Todo as independent executives in accordance with requirements of the Tokyo Stock Exchange, and has registered them with the Tokyo Stock Exchange.
 - (2) The term of office of Mr. Hidefumi Sugao as External Audit & Supervisory Board Member of the Company was five years, and his tenure as External Director of the Company will be four years at the conclusion of the Annual Meeting. The term of office of Ms. Nawomi Todo as External Director of the Company will be one year at the conclusion of the Annual Meeting.
 - (3) Mr. Hidefumi Sugao and Ms. Nawomi Todo are currently the Company's External Directors, and the Company has entered into an Agreement with them limiting liability provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. If Mr. Hidefumi Sugao and Ms. Nawomi Todo are re-elected, the Company intends to continue the Agreement for Limitation of Liability with them.

Agenda No. 3: Election of Three (3) Audit & Supervisory Board Members

As the term of office of each of the Audit & Supervisory Board Members Mr. Hidetsugu Matsunaga, Mr. Takekiyo Sawai and Mr. Toshiaki Kobayashi expires at the conclusion of the Annual Meeting, the Company proposes the election of three (3) Audit & Supervisory Board Members, including one (1) External Audit & Supervisory Board Member.

The Audit & Supervisory Board has agreed to this agenda.

The candidates for Audit & Supervisory Board Member are as follows.

No. of Candidate	Name (Date of birth)	Brief profile, position, and significant concurrent position		Number of the Company's shares owned
1	Hidetsugu Matsunaga (December 5, 1950)	October 2005 April 2008 April 2012 June 2012	Joined the Company General Manager, Human Resources Department General Manager, Information System Department of the Company Advisor of the Company Audit & Supervisory Board Member of the Company (incumbent)	2,100 shares
2	Takekiyo Sawai (January 2, 1940)	April 1969 August 1969 June 1992 November 1994 June 1996 June 2008	Joined the Company Director of the Company Director In charge of Corporate Planning Office of the Company Chairman, Representative Director of Medisa Shinyaku Inc. Director Senior Advisor of Medisa Shinyaku Inc. Audit & Supervisory Board Member of the Company (incumbent)	286,100 shares
3	*Takanobu Tomohiro (October 29, 1958)	April 1991 April 1994	Registered as an attorney Joined Kogoshi Takizawa Law Office (currently, Kobe-Kaito Law Office) Partner of Kobe-Kaito Law Office (incumbent)	— shares

Notes:

1. *The asterisk (*) indicates a new candidate for Audit & Supervisory Board Member.
2. There are no particular conflicts of interest between each candidate and the Company.
3. Reasons for nomination as candidates for Audit & Supervisory Board Member are as follows.
 - (1) Mr. Hidetsugu Matsunaga has extensive working experience as General Manager of Human Resources Department and Information System Department of the Company and experience as the Company's Full-time Audit & Supervisory Board Member. The Company expects him to continue performing his duties as an Audit & Supervisory Board Member appropriately. Therefore, the Company has appointed him as a candidate for Audit & Supervisory Board Member.
 - (2) Mr. Takekiyo Sawai has extensive experience as a Director of the Company and its group

company and has experience as the Company's Audit & Supervisory Board Member. The Company expects him to continue performing his duties as an Audit & Supervisory Board Member appropriately. Therefore, the Company has appointed him as a candidate for Audit & Supervisory Board Member.

- (3) The Company nominates Mr. Takanobu Tomohiro as a candidate for External Audit & Supervisory Board Member since we believe he will provide the Company with useful advice and audit services from an independent standpoint, based on his extensive specialized knowledge and experience in legal affairs as a lawyer.
4. Other notes for the candidates for Audit & Supervisory Board Member are as follows.
- (1) Mr. Hidetsugu Matsunaga and Mr. Takekiyo Sawai are currently the Company's Audit & Supervisory Board Members, and the Company has entered into an Agreement with them limiting liability provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. If Mr. Hidetsugu Matsunaga and Mr. Takekiyo Sawai are re-elected, the Company intends to continue the Agreement for Limitation of Liability with them.
 - (2) If Mr. Takanobu Tomohiro is elected as External Audit & Supervisory Board Member, the Company will enter into an Agreement for Limitation of Liability with him as provided for by Article 423, Paragraph 1 of the Companies Act.
5. Mr. Takanobu Tomohiro is a candidate for External Audit & Supervisory Board Member. If Mr. Takanobu Tomohiro is elected as External Audit & Supervisory Board Member, the Company will nominate him as an independent executive in accordance with requirement of the Tokyo Stock Exchange and register him as such with the Tokyo Stock Exchange.

Guidance for Exercising Voting Rights

For exercising voting rights by mail

Please indicate your approval or disapproval for each resolution on the enclosed form and return it to us so that we receive it no later than 5:20 p.m. on Thursday, June 23, 2016 (Japan time).

For exercising voting rights via the Internet

Please read and acknowledge the following notes before exercising voting rights for the Annual Meeting via the Internet.

1. Website for exercising voting rights

Voting rights may be exercised via the Internet by accessing the following website designated by the Company. Please be advised that a website for exercising voting rights exclusively for cellular phone users is not available.

Address of the website for exercising voting rights: <http://www.web54.net>

2. Notes for exercising voting rights

- (1) For exercising voting rights via the Internet, please log in to the website using the voting rights exercise code and password printed on the enclosed voting rights exercise form, and follow the instructions on the screen to indicate your approval or disapproval of each resolution.
- (2) Deadline for exercising voting rights is 5:20 p.m. on Thursday, June 23, 2016 (Japan time), the day before the Annual Meeting. Please exercise your voting rights at your earliest convenience.
- (3) In the event voting rights are exercised multiple times, the last vote received by the Company shall be deemed to be effective. In the event voting rights are exercised both in writing and via the Internet, the vote received later shall be deemed to be effective. In the event multiple votes both in writing and via the Internet have been received by the Company on the same day, the vote via the Internet shall be deemed to be effective.
- (4) Any fees incurred when accessing the website for exercising voting rights (such as Internet provider connection fee and data transmission fees, etc.) shall be borne by the shareholder.

3. Password and voting rights exercise code

- (1) The password is an important means for verifying whether the person voting is a legitimate shareholder. Please safeguard your password in the same manner as your own registered seal or other passwords.
- (2) The password will be invalidated and disabled if you enter it incorrectly more than a certain number of times. In such case, if you wish to have the password reissued, please follow the instructions on the screen.
- (3) The voting rights exercise code printed on the voting rights exercise form shall be valid only for the Annual Meeting.

4. System requirements for exercising voting rights via the Internet

For exercising your voting rights via the Internet, please check that your personal computer satisfies the following system requirements.

- (1) Display resolution is 800 x 600 (SVGA) or higher.
- (2) The following applications are installed in the computer:
 - (i) Microsoft® Internet Explorer Ver.5.01SP2 or later
 - (ii) Adobe® Acrobat® Reader® Ver.4.0 or later, or Adobe® Reader® Ver.6.0 or

later

*Internet Explorer is a trademark of Microsoft Corporation, and Adobe® Acrobat® Reader® and Adobe® Reader® are registered trademarks, of Adobe Systems Incorporated, in the U.S. and other countries.

*These software products may be downloaded free of charge from the websites of the respective companies.

- (3) If pop-up blockers are activated on your web browser or add-in tool, etc., please disable them (temporarily) and enable Cookies for this website in the privacy setting.
- (4) If you cannot access the above website, communication via your Internet connection may be restricted due to firewall proxy server and security software, etc. settings. In such a case, please check the settings.

5. Inquiries about how to use a personal computer, etc. for exercising voting rights

- (1) For inquiries about how to use a personal computer, etc. to exercise voting rights via the website, please contact the following:

- Web Support, Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Direct phone number: 0120-652-031 (Business hours: 9:00 a.m.–9:00 p.m.)

- (2) For other inquiries, please contact the following.

- (i) Shareholders having an account at a securities company

Please contact your securities company.

- (ii) Shareholders who do not have an account at a securities company (shareholders with a special account)

Stock Transfer Agency Administration Center, Sumitomo Mitsui Trust Bank, Limited

Phone number: 0120-782-031 (Business hours: 9:00 a.m.–5:00 p.m., excluding Saturdays, Sundays and holidays)

- For institutional shareholders

The Electronic Voting Platform operated by ICJ, Inc. is available for institutional shareholders as an electromagnetic means to exercise voting rights for the Annual Meeting.