

Note: This document has been translated from the Japanese original version for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original version, the original version shall prevail. PeptiDream Inc. assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 4587)
September 4, 2019

To Shareholders with Voting Rights:

Patrick Reid
Representative Director, President
PeptiDream Inc.
3-25-23 Tonomachi, Kawasaki-ku,
Kawasaki City, Kanagawa

**NOTICE OF
THE 13th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 13th Ordinary General Meeting of Shareholders of PeptiDream Inc. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing using the enclosed Voting Rights Exercise Form or via the Internet. In such case, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by the close of business (5:30 p.m.) on Wednesday, September 25, 2019, Japan time.

Shareholders intending to exercise their voting rights via the Internet may do so by following the guidance on page 2 “Exercise voting rights via the Internet.”

- 1. Date and Time:** Thursday, September 26, 2019 at 10:00 a.m. Japan time
- 2. Place:** Prince Room, B1F Grand Prince Hotel Takanawa,
3-13-1 Takanawa, Minato-ku, Tokyo
- 3. Agenda:**
 - Matters to be reported:** The Business Report and Financial Statements for the Company’s 13th Fiscal Year (July 1, 2018 - June 30, 2019)
 - Proposals to be resolved:**
 - Proposal 1:** Partial Amendment to the Articles of Incorporation
 - Proposal 2:** Election of 4 Directors (Excluding Directors Appointed as Audit and Supervisory Committee Members)
 - Proposal 3:** Election of 3 Directors Appointed as Audit and Supervisory Committee Members
- 4. Other matters** Of the documents to be provided concurrently with this Notice of the Ordinary General Meeting of Shareholders, “6. Structures to Ensure Proper Execution of Business Operations and Operational Status of the Structures” as discussed in the Business Report and Notes to Financial Statements are not included in this Notice but are presented on the Company’s website (<https://www.peptidream.com/ir/> *Japanese only) in accordance with the laws and regulations, and Article 17 of the Company’s Articles of Incorporation. The Business Report and Financial Statements audited by Audit and Supervisory Committee and Accounting Auditor are the documents accompanying this Notice, “6. Structures to Ensure Proper Execution of Business Operations and Operational Status of the Structures” in the Business Report and Notes to Financial Statements which are presented on the Company’s website.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

- (1) The Company proposes to make necessary amendments to Article 2 (Purpose) of the current Articles of Incorporation to respond to the diversification of business in the future.
- (2) While the fiscal year of the Company thus far has been the period from July 1 each year to June 30 the following year, we decided that it was reasonable to follow the majority of our business partners in adopting a fiscal year ending December 31 as the generally accepted international practice, in view of the future possibility of receiving sales-based royalty and with a view to further strengthening our relationship with those partners through a range of collaborations. Therefore, the fiscal year of the Company shall be changed to a period from January 1 to December 31 each year. In line with the aforementioned decision, the Company proposes to make partial amendments to Article 12 (Record Date for Ordinary General Meeting of Shareholders), Article 36 (Fiscal Year) and Article 38 (Record Date for Distribution of Surplus), as needed. At the same time, in line with the change in the timing of account closing, the 14th Fiscal Year shall comprise a period of six months between July 1, 2019 and December 31, 2019, for which we propose to establish supplementary provisions for the purpose of transitional measures.

2. Contents of the amendments

Contents of the amendments are as follows.

(The amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1 (Omitted)	Article 1 (Unchanged)
(Purpose)	(Purpose)
Article 2 The purpose of the Company shall be to engage in the following businesses: (1) Research and development of various types of biological substances and chemical substances, such as pharmaceuticals, pesticides, veterinary medicines, industrial chemicals, quasi-drugs, reagents, diagnostic agents, cosmetics, foods, food additives and fertilizers, and the undertaking thereof (2) Development, manufacture and sale of various types of biological substances and chemical substances, such as pharmaceuticals, pesticides, veterinary medicines, industrial chemicals, quasi-drugs, reagents, diagnostic agents, cosmetics, foods, food additives and fertilizers	Article 2 The purpose of the Company shall be to engage in the following businesses: (1) Research and development of various types of biological substances and chemical substances, such as pharmaceuticals, pesticides, veterinary medicines, industrial chemicals, quasi-drugs, reagents, diagnostic agents, cosmetics, foods, food additives and fertilizers, and the undertaking thereof (2) Development, manufacture and sale of various types of biological substances and chemical substances, such as pharmaceuticals, pesticides, veterinary medicines, industrial chemicals, quasi-drugs, reagents, diagnostic agents, cosmetics, foods, food additives and fertilizers

Current Articles of Incorporation	Proposed Amendments
<p>(3) Assignment and licensing of intellectual property rights to fundamental technologies related to various types of biological substances and chemical substances, such as pharmaceuticals, pesticides, veterinary medicines, industrial chemicals, quasi-drugs, reagents, diagnostic agents, cosmetics, foods, food additives and fertilizers</p> <p>(4) Contracted research related to subjects ranging from the information analysis of genes and proteins to drug development, and consulting services thereof</p> <p>(5) Production and sale of software and database related to the information analysis of genes and proteins, and consulting services thereof</p> <p>(6) Manufacture and sale of equipment for the functional analysis of genes and proteins</p> <p>(7) Manufacture and sale of equipment for diagnosis of pathological conditions by genes and proteins</p> <p>(8) Development, manufacture, <u>sale and export and import</u> of biotechnology-related medical equipment, etc.</p> <p>(9) Consulting services related to biotechnology</p> <p>(10) Administration, sale and purchase and lease of real estate</p> <p>(11) Warehousing business, shipping business and freight forwarding agency</p> <p>(12) Operation of cafeteria and coffee shops</p> <p><u>(13)</u> Any and all businesses incidental to any of the foregoing items</p>	<p>(3) Assignment and licensing of intellectual property rights to fundamental technologies related to various types of biological substances and chemical substances, such as pharmaceuticals, pesticides, veterinary medicines, industrial chemicals, quasi-drugs, reagents, diagnostic agents, cosmetics, foods, food additives and fertilizers</p> <p>(4) Contracted research related to subjects ranging from the information analysis of genes and proteins to drug development, and consulting services thereof</p> <p>(5) Production and sale of software and database related to the information analysis <u>and production</u> of genes and proteins, and consulting services thereof</p> <p>(6) Manufacturing and sale of equipment for the functional analysis <u>and production</u> of genes and proteins</p> <p>(7) Manufacture and sale of equipment for diagnosis of pathological conditions by genes and proteins</p> <p>(8) Development, manufacture <u>and</u> sale of biotechnology-related medical equipment, etc.</p> <p>(9) Consulting services related to biotechnology</p> <p>(10) Administration, sale and purchase and lease of real estate</p> <p>(11) Warehousing business, shipping business and freight forwarding agency</p> <p>(12) Operation of cafeteria and coffee shops</p> <p><u>(13)</u> <u>Work in areas including general affairs, accounting and purchasing, along with contracted work in the areas of human resources and labor management</u></p> <p><u>(14)</u> <u>Export and import concerning any of the foregoing items</u></p> <p><u>(15)</u> Any and all businesses incidental to any of the foregoing items</p>
<p>Article 3 Article 11 (Omitted)</p>	<p>Article 3 Article 11 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
(Record Date for Ordinary General Meeting of Shareholders)	(Record Date for Ordinary General Meeting of Shareholders)
Article 12 Record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be <u>June 30</u> each year.	Article 12 Record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be <u>December 31</u> each year.
Article 13 (Omitted)	Article 13 (Unchanged)
Article 35	Article 35
(Fiscal Year)	(Fiscal Year)
Article 36 Fiscal year of the Company shall begin on <u>July 1 each year</u> and end on <u>June 30 the following year</u> .	Article 36 Fiscal year of the Company shall begin on <u>January 1</u> and end on <u>December 31 each year</u> .
Article 37 (Omitted)	Article 37 (Unchanged)
(Record Date for Distribution of Surplus)	(Record Date for Distribution of Surplus)
Article 38 The record date for payment of year-end dividends shall be <u>June 30</u> each year.	Article 38 The record date for payment of year-end dividends shall be <u>December 31</u> each year.
2. The record date for payment of interim dividends shall be <u>December 31</u> of each year.	2. The record date for payment of interim dividends shall be <u>June 30</u> of each year.
3. In addition to the provisions of the above two Paragraphs, the Company may distribute surplus by specifying any other record date.	3. In addition to the provisions of the above two Paragraphs, the Company may distribute surplus by specifying any other record date.
Article 39 (Omitted)	Article 39 (Unchanged)
SUPPLEMENTARY PROVISIONS	SUPPLEMENTARY PROVISIONS
Article 1 (Omitted)	Article 1 (Unchanged)
(New)	<u>(Transitional Measures concerning the Length of Fiscal Year)</u>
	<u>Article 2</u> <u>Notwithstanding the provisions in Article 36 (Fiscal Year), the 14th Fiscal Year shall comprise a period of six months between July 1, 2019 and December 31, 2019.</u>
(New)	<u>(Partial Deletion of Supplementary Provisions)</u>
	<u>Article 3</u> <u>Article 2 and Article 3 of the supplementary provisions shall be deleted at the conclusion of the Ordinary General Meeting of Shareholders concerning the 14th Fiscal Year.</u>

Proposal 2: Election of 4 Directors (Excluding Directors Appointed as Audit and Supervisory Committee Members)

The terms of office of all 4 Directors (excluding Directors appointed as Audit and Supervisory Committee Members; hereinafter the same shall apply to this Proposal) will expire at the end of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of 4 Directors.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kiichi Kubota (April 10, 1953)	<p>April 1976 Joined NISSAN MOTOR CO., LTD.</p> <p>July 1978 Joined Special Reference Laboratories, Inc. (current SRL, Inc.)</p> <p>November 2000 Founding Senior Managing Director of JGS, Inc.</p> <p>April 2001 Chief Executive Officer of JGS, Inc.</p> <p>July 2006 Founding President of the Company</p> <p>September 2017 Founding President of PeptiStar Inc.</p> <p>September 2017 Representative Director, Chairman of the Company (to present)</p>	14,286,400
2	Patrick Reid (January 14, 1975)	<p>August 2003 NRSA Post-doctoral Fellow of Dartmouth Medical School</p> <p>April 2004 Project Associate Professor of Research Center for Advanced Science and Technology, the University of Tokyo</p> <p>January 2005 Visiting Associate Professor of Center for Collaborative Research, the University of Tokyo</p> <p>April 2006 Project Associate Professor of Research Center for Advanced Science and Technology, the University of Tokyo</p> <p>January 2007 Joined the Company</p> <p>August 2008 Director of the Company</p> <p>May 2012 Director and General Manager of Scientific Department of the Company</p> <p>September 2012 Senior Vice President and General Manager of Scientific Department of the Company</p> <p>July 2014 Senior Vice President, Head of Research & Development of the Company</p> <p>September 2017 Representative Director, President of the Company (to present)</p>	4,300,000
3	Keiichi Masuya (April 2, 1969)	<p>April 1998 Joined Mitsubishi Chemical Corporation</p> <p>September 2001 Joined Novartis Pharma K.K.</p> <p>April 2006 Joined Novartis International AG</p> <p>November 2008 Head of PPI Drug Discovery and Novartis Leading Scientist of Novartis Pharma AG</p> <p>July 2014 General Manager of Scientific Department of the Company</p> <p>September 2015 Director and Vice President, Head of Chemistry of the Company</p> <p>March 2018 Director and Executive Vice President of the Company</p> <p>October 2018 Director and Executive Vice President of the Company (no change to English title) (to present)</p>	0
4	Kiyofumi Kaneshiro (August 16, 1977)	<p>April 2003 Research Fellow of the Japan Society for the Promotion of Science (DC)</p> <p>April 2005 Researcher at Center for Collaborative Research, the University of Tokyo</p> <p>April 2006 Joined The Boston Consulting Group (BCG)</p> <p>January 2016 Partner & Managing Director of BCG</p> <p>January 2018 Executive Vice President of the Company</p> <p>October 2018 Director and Executive Vice President of the Company (to present)</p>	0

(Notes)

1. None of the above candidates has special interest in the Company.
2. Mr. Kiichi Kubota is the founder of the Company and has been leading its management with his strong leadership and executive ability based on his management skills and extensive experience and performance. In light of this, the Company believes that Mr. Kubota is capable of successfully fulfilling his duties as Director, with respect to the decision-making process of the Board of Directors.
3. Mr. Patrick Reid joined the Company shortly after its foundation and has been leading research and development operations. He is assuming the responsibility of management as a Director of the Company and has deep insight and ability. In light of this, the Company believes that Mr. Reid is capable of successfully fulfilling his duties as Director, with respect to the decision-making process of the Board of Directors.
4. Mr. Keiichi Masuya has a wealth of operational experience in the Scientific Department of the Company and deep insight in the field. In light of this, the Company believes that Mr. Masuya is capable of successfully fulfilling his duties as Director, with respect to the decision-making process of the Board of Directors.
5. Mr. Kiyofumi Kaneshiro has extensive experience in all aspects of management and a high level of insight. In light of this, the Company believes that Mr. Kaneshiro is capable of successfully fulfilling his duties as Director by utilizing his experience and insight, with respect to the decision-making process of the Board of Directors.

Proposal 3: Election of 3 Directors Appointed as Audit and Supervisory Committee Members

The terms of office of all 3 Directors appointed as Audit and Supervisory Committee Members will expire at the end of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of 3 Directors appointed as Audit and Supervisory Committee Members. The Audit and Supervisory Committee has previously given its approval for the submission of this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Michio Sasaoka (July 16, 1949)	September 1978 Postdoctoral Research Associate of Massachusetts Institute of Technology October 1980 Joined Otsuka Chemical Co., Ltd. January 1988 General Manager of Synthesis Research of Otsuka Chemical Co., Ltd. November 2003 Director of Explorative Laboratory of Otsuka Chemical Co., Ltd. March 2007 Managing Director of Otsuka Chemical Co., Ltd. August 2009 Adviser of Otsuka Chemical Co., Ltd. May 2012 Corporate Auditor of the Company September 2015 Director (Audit and Supervisory Committee Member) of the Company (to present)	200,000
2	Toshio Nagae (December 2, 1943)	April 1967 Joined Shionogi & Co., Ltd. October 1970 Joined ICI-Pharma Ltd. (current AstraZeneca K.K.) June 1981 Joined Schering-Plough K.K. (current MSD K.K.) May 1997 Joined Rhône-Poulenc-Rorer K.K. (current Sanofi K.K.) January 2000 Executive Officer of Aventis Pharma K.K. (current Sanofi K.K.) May 2003 President and Representative Director of CMIC-MPSS Co. Ltd. (current CMIC Ashfield Co., Ltd.) June 2003 Concurrently served as President and Representative Director of PCN Co., Ltd. (current Healthelick Co., Ltd.) October 2005 President and Representative Director of York Pharma K.K. January 2010 Established Pharma Business Consultant, Representative (to present) April 2014 Visiting Professor of Gifu Pharmaceutical University (to present) September 2015 Director (Audit and Supervisory Committee Member) of the Company (to present) June 2017 Director (Audit and Supervisory Committee Member) of Human Metabolome Technologies, Inc. (to present)	7,600
3	Yukinori Hanafusa (May 10, 1975)	April 1998 Joined Aoyama Audit Corporation July 2001 Registered as a Certified Public Accountant August 2009 Founding Representative Director of Accounting Works Co., Ltd. (to present) June 2014 Corporate Auditor of Tottori Gas Co., Ltd. (to present) September 2014 Auditor of Tottori Gakuen (to present) December 2014 Corporate Auditor of Zen Inc. (to present) March 2015 Corporate Auditor of ARCLAND SERVICE CO., LTD. March 2016 Director (Audit and Supervisory Committee Member) of ARCLAND SERVICE CO., LTD. (to present) September 2017 Director (Audit and Supervisory Committee Member) of the Company (to present) January 2019 Director (Audit and Supervisory Committee Member) of GIFT INC. (to present) (Significant concurrent positions) Representative Director of Accounting Works Co., Ltd.	0

(Notes)

1. None of the above candidates has special interest in the Company.
2. Mr. Michio Sasaoka, Professor Toshio Nagae and Mr. Yukinori Hanafusa are candidates for Outside Directors. The Company has selected its candidates for Independent Outside Directors based on the Independence Standards set forth by the Tokyo Stock Exchange. The Company has appointed Mr. Sasaoka, Professor Nagae and Mr. Hanafusa as Independent Directors based on the provisions of the Tokyo Stock Exchange and filed them with the Tokyo Stock Exchange.
3. Mr. Sasaoka has extensive experience and broad perspective as an entrepreneur and provided valuable and impartial advice to the management of the Company as an Audit and Supervisory Committee Member. Therefore, the Company believes that Mr. Sasaoka is capable of successfully fulfilling his duties as Outside Director. Mr. Sasaoka is an active Outside Director appointed as Audit and Supervisory Committee Member of the Company and his term of office as Outside Director appointed as Audit and Supervisory Committee Member will be four years at the conclusion of this Ordinary General Meeting of Shareholders.
4. Professor Nagae has extensive experience and broad perspective as an entrepreneur and provided valuable and impartial advice to the management of the Company as an Audit and Supervisory Committee Member. Therefore, the Company believes that Professor Nagae is capable of successfully fulfilling his duties as Outside Director. Professor Nagae is an active Outside Director appointed as Audit and Supervisory Committee Member of the Company and his term of office as Outside Director appointed as Audit and Supervisory Committee Member will be four years at the conclusion of this Ordinary General Meeting of Shareholders.
5. Mr. Hanafusa has extensive experience and a broad perspective as a Certified Public Accountant. Therefore, the Company believes that Mr. Hanafusa is capable of providing appropriate opinions, from a viewpoint of ensuring legality and appropriateness of the decision making process of the Company's business execution, as well as monitoring and supervising of the management by utilizing his experience and perspective. Mr. Hanafusa is an active Outside Director appointed as Audit and Supervisory Committee Member of the Company and his term of office as Outside Director appointed as Audit and Supervisory Committee Member will be two years at the conclusion of this Ordinary General Meeting of Shareholders.
6. The Company has entered into an agreement with Mr. Sasaoka, Professor Nagae and Mr. Hanafusa to limit their liability for damages pursuant to Paragraph 1, Article 427 of the Companies Act. Subject to the approval of their reelection, the Company intends to extend the agreement with them. The maximum amount of liability for damages under this agreement shall be one million yen or the minimum statutory amount of liability, whichever is greater.