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Securities Code 6417  
June 9, 2017

**To Those Shareholders with Voting Rights**

Kimihisa Tsutsui  
Representative Director, President & COO  
SANKYO CO., LTD.  
3-29-14 Shibuya, Shibuya-ku, Tokyo, Japan

**NOTICE OF THE 52<sup>nd</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to the 52<sup>nd</sup> Ordinary General Meeting of Shareholders of the Company. The meeting will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders as described hereinafter, and exercise your voting rights by no later than 6:00 p.m. on Wednesday, June 28, 2017.

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m.
- 2. Place:** Star Room, The Westin Tokyo, B2F, 1-4-1 Mita, Meguro-ku, Tokyo (located within Yebisu Garden Place)
- 3. Agenda of the Meeting:**
  - Matters to be reported:**
    1. Business Report, Consolidated Financial Statements for the 52<sup>nd</sup> Fiscal Term (from April 1, 2016 to March 31, 2017) and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements
    2. Non-Consolidated Financial Statements for the 52<sup>nd</sup> Fiscal Term (from April 1, 2016 to March 31, 2017)

**Proposals to be resolved:**

**Proposal :** Appropriation of Surplus

## Reference Documents for the General Meeting of Shareholders

### Proposals and references

#### **Proposal: Appropriation of Surplus**

The Company regards the return of profits to shareholders as one of the most important management priorities. The Company's dividend policy is to maintain a payout ratio of 25% of consolidated net income and the aim is to continuously increase dividends.

The Company will effectively utilize retained earnings for enhancing product development, capital investment, and sales & marketing to improve business performance. Repurchasing of own shares will be decided from the viewpoint of increasing capital efficiency.

For the 52nd fiscal term, the Company proposes to pay a year-end dividend of ¥75 per share. Including the interim dividend of ¥75 per share, the amount of full-year dividends will be ¥150 per share, resulting in a consolidated payout ratio of 683.6%. In line with the above policy and from the viewpoint of maintaining stable dividend payment, the amount of full-year dividends will be unchanged from the previous year. The details are described below.

#### Matters concerning the year-end dividends

(1) Type of dividend property

Dividends will be paid in cash.

(2) Appropriation of dividend property to shareholders and total amount

¥75 per share of the Company's common stock, for a total amount of ¥6,088,258,575

As a result, the annual dividend for this term, including interim dividend, would be ¥150 per share.

(3) Effective date of dividends from surplus

June 30, 2017