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Securities Code 6417  
June 8, 2015

**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 50<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to the 50<sup>th</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 Thursday, June 25, 2015.

- 1. Date and Time:** Friday, June 26, 2015 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 50<sup>th</sup> Fiscal Term (from April 1, 2014 to March 31, 2015) 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 50<sup>th</sup> Fiscal Term (from April 1, 2014 to March 31, 2015)
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 3:** Election of Two Directors
    - Proposal No. 4:** Election of Four Statutory Auditors

## Reference Documents for the General Meeting of Shareholders

### Proposals and references

#### **Proposal No. 1: 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 product development, capital investment, and sales & marketing to improve business performance.

In accordance with the policy mentioned above, we would like to propose the year-end dividends for the 50<sup>th</sup> fiscal term as follows:

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 ¥6,421,848,825

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 29, 2015

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reason for Amendments

In order to enable Directors and Statutory Auditors to fulfill their expected roles and the Company to secure a variety of appropriate human resources from inside and outside the Company, the Company intends to newly establish provisions that allow the Company to exempt Directors and Statutory Auditors from their liability within the limit stipulated by the Companies Act and provisions that allow the Company to enter into agreements with Directors (excluding Executive Directors etc.) and Statutory Auditors limiting their liability. In accordance with the establishment of the new articles, the corresponding numbers of the articles following the new articles will be changed.

The consent of all Statutory Auditors has been obtained for the establishment of Article 29 (Exemption from Liability of Directors).

2. Details of the Proposed Amendments

The details of the proposed amendments are stated below.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendment
<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 20.</p> <p style="padding-left: 40px;">to 28. (Omitted)</p> <p>(New)</p>	<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 20.</p> <p style="padding-left: 40px;">to 28. (Unchanged)</p> <p><u>(Exemption from Liability of Directors)</u></p> <p><u>Article 29. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, limit the liability of Directors (including former Directors) for damages arising from their neglect of their duties within the limit stipulated by laws and regulations.</u></p> <p><u>2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding Executive Directors etc.) limiting their liability for damages arising from their neglect of their duties; provided, however, that the limit of the liability under such agreements shall be the amount stipulated by laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>CHAPTER V STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</p> <p>Article <u>29</u>. to <u>36</u>. (Omitted)</p> <p>(New)</p> <p>Article <u>37</u>. to <u>42</u>. (Omitted)</p>	<p>CHAPTER V STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</p> <p>Article <u>30</u>. to <u>37</u>. (Unchanged)</p> <p><u>(Exemption from Liability of Statutory Auditors)</u></p> <p>Article <u>38</u>. <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, limit the liability of Statutory Auditors (including former Statutory Auditors) for damages arising from their neglect of their duties within the limit stipulated by laws and regulations.</u></p> <p><u>2</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Statutory Auditors limiting their liability for damages arising from their neglect of their duties; provided, however, that the limit of the liability under such agreement shall be the amount stipulated by laws and regulations.</u></p> <p>Article <u>39</u>. to <u>44</u>. (Unchanged)</p>

**Proposal No. 3: Election of Two Directors**

The Company proposes the election of two additional Outside Directors to further strengthen the management system. The terms of office of newly elected Directors will be until the expiry of the terms of office of other incumbent Directors in accordance with the provisions of the Articles of Incorporation of the Company.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary and position	Number of shares of the Company held
1	Taro Kitani (May 4, 1976)	October 2004 Registered as attorney at law. Joined KOHWA SOHGOH LAW OFFICES (to present)  (Significant concurrent positions) Auditor of Japan Amusement Machine Patent association Statutory Auditors of PS Patent Inc.	-
2	Takashi Miura (February 19, 1963)	October 1990 Established OCCS PLANNING Center (current Cloudpoint Inc.); Representative Director, Cloudpoint Inc. (to present)  (Significant concurrent positions) Statutory Auditors of Bisty Co., Ltd. Outside Directors of CAD CENTER CORPORATION	-

- Notes:
1. No conflict of interest exists between the Company and any of the above candidates for Directors
  2. Mr. Taro Kitani and Mr. Takashi Miura are candidates for Outside Director. The Company plans to register them with Tokyo Stock Exchange, Inc. as Independent Directors as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
  3. Reasons why the Company has selected the candidates for Outside Director and considers that they will be able to appropriately perform their duties as Outside Directors are as follows:
    - (1) The Company has selected Mr. Taro Kitani as a candidate for Outside Director because the Company expects him to utilize his professional knowledge and experience as an attorney at law in management of the Company. Although Mr. Taro Kitani has never been directly involved in corporate management, the Company believes that he will be able to adequately perform his duties as an Outside Director, because he is well versed in corporate legal affairs as an attorney at law and has sufficient insight into corporate governance. Mr. Taro Kitani has never been the Company's legal advisor.
    - (2) The Company has selected Mr. Takashi Miura as a candidate for Outside Director because the Company expects him to utilize his wealth of experience and wide-ranging knowledge as a manager, cultivated during many years serving as the Representative Director of Cloudpoint Inc., in supervision of management of the Company and contribute to strengthening of corporate governance through his advice on the Company's overall management. Although Cloudpoint Inc. where Mr. Takashi Miura serves as a Representative Director and the Company have business transactions, the amount of transactions is insignificant (accounting for under 2% of net sales or under 0.1% of cost of sales of the SANKYO Group on a consolidated basis) and thus, the two companies do not have significant business relationships.
  4. Provided that Proposal No. 2 is approved as proposed, pursuant to Article 427, Paragraph 1 of the Companies Act the Company intends to enter into liability limitation agreements with Mr. Taro Kitani and Mr. Takashi Miura after their elections. The limit of their liability for damages in accordance with these liability limitation agreements will be the amount stipulated by laws and regulations.

**Proposal No. 4: Election of Four Statutory Auditors**

All four Statutory Auditors of the Company will complete their term of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of four Statutory Auditors. The Board of Statutory Auditors has previously given its approval.

The candidates for Statutory Auditors are as follows:

No.	Name (Date of birth)	Career summary and position	Number of shares of the Company held
1	Shohachi Ugawa (October 8, 1942)	<p>June 1985 Director, General Manager of Technology Department of the Company</p> <p>August 1987 Executive Director, General Manager of Technology Department of the Company</p> <p>June 1992 Senior Executive Director, Head of Manufacturing Division of the Company</p> <p>June 1996 Director &amp; Senior Executive Vice President, Head of Research &amp; Development Division of the Company</p> <p>June 2001 Representative Director &amp; Senior Executive Vice President of the Company</p> <p>April 2002 Representative Director &amp; Senior Executive Vice President, Head of Manufacturing Division of the Company</p> <p>June 2006 Director, Advisor of the Company</p> <p>June 2007 Standing Statutory Auditor of the Company (to present)</p>	28,650
2	Toshiaki Ishiyama (September 17, 1956)	<p>June 1994 Statutory Auditor of the Company (to present)</p> <p>January 2012 Joined Noda Fumiyoshi Tax Accounting Office(to present)</p> <p>(Significant concurrent positions)</p> <p>Statutory Auditor of Sankyo Create Co., Ltd.</p> <p>Statutory Auditor of International Card System Co., Ltd.</p>	5,000
3	Yoshiro Sanada (May 8, 1957)	<p>April 1982 Joined Kubota Judicial Scrivener Office</p> <p>December 1992 Registered as Judicial Scrivener Head of Sanada Judicial Scrivener Office (to present)</p> <p>June 2003 Statutory Auditor of the Company (to present)</p>	1,000
4	Fumiyoshi Noda (January 26, 1959)	<p>August 1983 Joined Noda Susumu Tax Accountant &amp; Real Estate Appraisal Office</p> <p>March 1984 Registered as Certified Tax Accountant</p> <p>August 1986 Head of Noda Fumiyoshi Tax Accounting Office (to present)</p> <p>June 2007 Statutory Auditor of the Company (to present)</p>	1,000

Notes: 1. No conflict of interest exists between the Company and any of the above candidates for Statutory Auditors.

2. Mr. Yoshiro Sanada and Mr. Fumiyoshi Noda are candidates for Outside Statutory Auditor. They are Independent Auditors as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

3. Reasons why the Company considers that the candidates for Outside Statutory Auditors will be able to appropriately perform their duties as Outside Statutory Auditors are as follows.

(1) The Company has elected Mr. Yoshiro Sanada as a candidate for an Outside Statutory Auditor because the Company expects him to use, for the good of the auditing system of the Company, his knowledge of legal affairs accumulated by his long experience as a Judicial Scrivener when he takes office as an Outside Statutory Auditor. Although Mr. Sanada has never been directly involved in corporate management other than serving as an Outside Statutory Auditor of the Company, the Company believes that he will be able to adequately perform his duties as an Outside Statutory Auditor, because he specializes in corporate legal affairs as a Judicial Scrivener and has sufficient insight to administer corporate management. His term of office as an Outside Statutory Auditor will have been Twelve years at the conclusion of this General Meeting of Shareholders.

- (2) The Company has elected Mr. Fumiyoshi Noda as a candidate for an Outside Statutory Auditor because the Company expects him to use, for the good of the auditing system of the Company, his knowledge of accounting accumulated by his long experience as a Certified Tax Accountant. Although Mr. Noda has never been directly involved in corporate management other than serving as an Outside Statutory Auditor of the Company, the Company believes that he will be able to adequately perform his duties as an Outside Statutory Auditor, because he specializes in corporate accounting as a Certified Tax Accountant and has sufficient insight to administer corporate management. In the past, he has never served as a Certified Tax Accountant for the Company. His term of office as an Outside Statutory Auditor will have been eight years at the conclusion of this General Meeting of Shareholders.
4. Provided that Proposal No. 2 is approved as proposed, pursuant to Article 427, Paragraph 1 of the Companies Act the Company intends to enter into liability limitation agreements with Mr. Shohachi Ugawa, Mr. Toshiaki Ishiyama, Mr. Yoshiro Sanada, and Mr. Fumiyoshi Noda after their elections. The limit of their liability for damages in accordance with these liability limitation agreements will be the amount stipulated by laws and regulations.