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(Securities Code: 4768)

March 7, 2018

To our shareholders:

Yuji Otsuka,
President & Chief Executive Officer
OTSUKA CORPORATION
2-18-4 Iidabashi, Chiyoda-ku, Tokyo

NOTICE OF THE 57TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 57th Annual General Meeting of Shareholders of OTSUKA CORPORATION (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting, you can exercise your voting rights using any of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m., Tuesday, March 27, 2018 (JST).

[Voting by mail]

Please indicate your approval or disapproval of each proposal on the enclosed voting form, and return it so that your vote is received by the above deadline.

[Voting via the internet, etc.]

Please access the voting website designated by the Company (<https://www.web54.net>) using the voting code and password printed on the right-hand side of the enclosed voting form, and enter your approval or disapproval of each proposal following the instructions on your screen by the above deadline.

- 1. Date and Time:** Wednesday, March 28, 2018, at 10:00 a.m. (JST)
(The reception desk will open at 9:00 a.m.)
- 2. Venue:** **Large Conference Room, 3rd floor, Head Office of the Company**
2-18-4 Iidabashi, Chiyoda-ku, Tokyo
- 3. Purpose of the Meeting:**
Items to be reported:
 1. The Business Report and the Consolidated Financial Statements for the 57th fiscal year (from January 1, 2017 to December 31, 2017), and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 57th fiscal year (from January 1, 2017 to December 31, 2017)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of One Director

4. Matters Prescribed for Convocation

- (1) In the event that your approval or disapproval of each proposal is not indicated on the voting form, it shall be considered as an indication of approval.
- (2) When voting rights are exercised via the internet, etc. more than once, the last vote shall be deemed effective.
- (3) When voting rights are exercised in duplicate, both in writing and via the internet, etc., the vote via the internet, etc. shall be deemed effective.
- (4) If you diversely exercise your voting rights, you are requested to notify the Company in writing of your intention to do so and state the reason for this no later than three days before the Meeting.

When you attend the Meeting, you are kindly requested to present the enclosed voting form at the reception.

If any changes are made to items in the Reference Documents for the General Meeting of Shareholders and the Business Report, or to Non-consolidated Financial Statements and Consolidated Financial Statements, such changes will be posted on the Company's website (<https://www.otsuka-shokai.co.jp>) (in Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company considers the return of profit to shareholders to be one of the most important management issues and its basic policy is to continually pay stable dividends based on its business performance while considering business foundation enhancement and the soundness of the financial structure.

In accordance with this policy, the Company proposes to pay year-end dividends for the 57th fiscal year as follows:

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay ¥140 per common share of the Company, an increase of ¥30 compared to the previous fiscal year's ordinary dividend of ¥110.

In this event, the total dividends will be ¥13,272,116,620.

(3) Effective date of dividends of surplus

The effective date of dividends will be March 29, 2018.

Proposal 2: Election of One Director

The Company proposes the election of one Director to further enhance the management system by increasing the number of Directors by one.

As the candidate for Director, Takuo Fujino, will be elected to increase the number of Directors, his term of office will be, pursuant to Article 20, paragraph 2 of the Company’s Articles of Incorporation, until the term of office of other currently serving Directors expires.

The candidate for Director is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company’s shares held
Takuo Fujino (July 3, 1952)	Mar. 1976 Joined the Company Jul. 2003 Managing Officer Mar. 2007 Senior Managing Officer Mar. 2015 Executive Managing Officer Mar. 2017 Operating Officer Feb. 2018 Operating Officer, In charge of Regional Branch, Sales Department (current position)	7,700 shares

[Reasons for nomination as candidate for Director]
 The Company nominated Takuo Fujino as a candidate for Director because he has been in charge of sales for many years, served as an executive officer, and has abundant experience and knowledge regarding the Company’s overall management.

(Note) There is no special interest between the candidate and the Company.