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(Stock Exchange Code 4516)
June 4, 2020

To Shareholders with Voting Rights:

Shigenobu Maekawa
President
Nippon Shinyaku Co., Ltd.
14, Nishinosho-Monguchi-cho,
Kisshoin, Minami-ku, Kyoto, Japan

**NOTICE OF
THE 157TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially informed of the 157th Annual General Meeting of Shareholders of Nippon Shinyaku Co., Ltd. (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 either by postcard or via the Internet, so please prioritize your own health. Please review the attached Reference Documents for the General Meeting of Shareholders and indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it by 5:30 p.m. on Thursday, June 25, 2020, Japan time, or access the website for exercising voting rights (<https://evote.tr.mufig.jp/>) and input your vote for or against the proposal.

- 1. Date and Time:** Friday, June 26, 2020 at 11:00 a.m. Japan time
- 2. Place:** Head office of Nippon Shinyaku Co., Ltd. located at
14, Nishinosho-Monguchi-cho, Kisshoin, Minami-ku, Kyoto, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 157th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 157th Fiscal Year (April 1, 2019 - March 31, 2020)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of 12 Directors
 - Proposal 3:** Election of 2 Audit & Supervisory Board Members

**Please also see the “Notice Regarding COVID-19” on page 2.*

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Should the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (<https://www.nippon-shinyaku.co.jp/>).

Notice Regarding COVID-19

There have been rising concerns about the spread of COVID-19 infections. To prevent the spread of the virus, we encourage you to exercise your voting rights either by postcard or via the Internet, and refrain from attending the meeting in person.

Depending on the circumstances on the day of the meeting, measures to prevent infection such as masks, hand sanitizers, body temperatures checks, etc. will be taken at the venue of the General Meeting of Shareholders. We reserve the right to refuse entry if these measures are not followed. We sincerely request your cooperation.

Furthermore, to minimize the risk of infection at the General Meeting of Shareholders, the starting time will be postponed to 11:00 a.m., and the content will be simplified. We thank you for your understanding.

● Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Our policy on reasonable returning profits to shareholders is aiming to increase dividend per share by increasing EPS (basic earnings per share), as well as keeping the consolidated dividend payout ratio to around 35%.

Under our basic policy to maximize corporate value, the Company strives to further strengthen its business foundations by bolstering R&D to expand the pipeline for product development, while building an organization framework adapted to the development of global business, and taking balance between retaining earnings to enable it to make investments necessary to maintain a corporate position to withstand increasingly competitive conditions and returning profits.

Based on the above policy, the year-end dividend for the fiscal year is proposed as follows:

- (1) Type of Dividend:
Cash
- (2) Items relating to the allocation of dividend assets to shareholders and its total amount:
¥43 per share of common stock of the Company
Total amount: ¥2,896,209,788
Together with the interim dividend of ¥43 per share, the annual dividend will be ¥86 per share.
- (3) Effective Date of Distribution of Retained Earnings:
Monday, June 29, 2020

Proposal 2: Election of 12 Directors

The terms of office of all 12 Directors, including 4 External Directors, will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 12 Directors, including 4 External Directors, is proposed.

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company	Tenure of office	Attendance at Board of Directors meetings	Significant concurrent positions
1	Shigenobu Maekawa Reappointment	President	15	100% (12/12)	
2	Akira Matsuura Reappointment	Managing Director, General Manager, Research & Development	10	100% (12/12)	
3	Shouzou Sano Reappointment	Managing Director, General Manager, Sales and Marketing	5	100% (12/12)	
4	Hitoshi Saito Reappointment	Director, General Manager, Resource Procurement, Production & Assurance	6	100% (12/12)	
5	Kenro Kobayashi Reappointment	Director, General Manager, Functional Food	5	100% (12/12)	
6	Takashi Takaya Reappointment	Director, General Manager, Administration	2	100% (12/12)	
7	Takanori Edamitsu Reappointment	Director, General Manager, Business Management	2	100% (12/12)	
8	Toru Nakai Reappointment	Director, General Manager, Global Business	1	100% (10/10)	
9	Yukio Sugiura Reappointment External Independent	External Director	7	100% (12/12)	
10	Hitoshi Sakata Reappointment External Independent	External Director	7	100% (12/12)	Partner, Oike Law Office Outside Audit & Supervisory Board Member of KYOCERA Corporation
11	Miyuki Sakurai Reappointment External Independent	External Director	3	100% (12/12)	Joint Owner, Hanamizuki Law Office Member of the Board, NIPPON SHOKUBAI CO., LTD. (scheduled)
12	Yoshinao Wada Reappointment External Independent	External Director	1	100% (10/10)	Part-time physician, Department of Maternal Medicine, Osaka Women's and Children's Hospital

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
1	Shigenobu Maekawa (January 18, 1953)	<p>April 1976 Joined the Company</p> <p>March 1992 Transfer to Japan Federation of Employers' Associations</p> <p>April 2002 Department Manager, Corporate Planning Department, Corporate Strategy Office</p> <p>April 2004 Corporate Officer</p> <p>June 2005 Director</p> <p>June 2005 Corporate Planning, Finance & Accounting, and Information system, and Department Manager, Corporate Planning Department</p> <p>June 2006 Managing Director</p> <p>April 2007 General Manager, Corporate Planning, Finance & Accounting, and Information system</p> <p>June 2007 President (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1976, Mr. Shigenobu Maekawa assumed positions including Department Manager, Corporate Planning Department from 2002, Director in charge of Corporate Planning, Finance & Accounting, and Information System from 2005, Managing Director from 2006, and President (current position) from 2007. The Company nominates him for Director as he has a wealth of experience and broad insight as a business manager and he has been fully demonstrating leadership as a member of the management team of the Company.</p>	52,200
2	Akira Matsuura (March 1, 1953)	<p>April 1988 Joined the Company</p> <p>April 2004 Department Manager, Chemical Research Department, Discovery Research Labs., Research & Development</p> <p>April 2007 Department Manager, Discovery Research Labs., Medicine Development Center, Research & Development</p> <p>April 2008 Corporate Officer; Department Manager, Discovery Research Labs., Research & Development</p> <p>June 2010 Director</p> <p>June 2010 General Manager, Research & Development; Head of Research & Development Division (current position)</p> <p>June 2016 Managing Director (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1988, Dr. Akira Matsuura assumed positions including Department Manager, Chemical Research Department, Discovery Research Laboratories from 2004, Department Manager, Discovery Research Labs., Medicine Development Center from 2007, Department Manager, Discovery Research Labs., Research & Development Division from 2008, Director in charge of Research and Development (current position) from 2010, and Managing Director (current position) from 2016. The Company nominates him for Director as he has a wealth of business experience in research and development and broad insight into such field.</p>	13,100

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
3	Shouzou Sano (July 14, 1960)	<p>April 1984 Joined the Company</p> <p>April 2008 Department Manager, Saitama Branch Office, Sales and Marketing</p> <p>April 2010 Corporate Officer; Department Manager, Osaka Branch Office, Sales Promotion Division, Sales and Marketing</p> <p>April 2013 Corporate Officer; Head of Tokyo Area Division, Sales and Marketing</p> <p>April 2015 Corporate Officer; Head of Sales and Marketing</p> <p>June 2015 Director</p> <p>June 2015 General Manager, Sales and Marketing; Head of Sales and Marketing Division (current position)</p> <p>June 2019 Managing Director (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1984, Mr. Shouzou Sano assumed positions including Department Manager of Saitama Branch Office from 2008, Department Manager of Osaka Branch Office from 2010, Head of Tokyo Area Division from 2013, Director in charge of Sales and Marketing (current position) from 2015, and Managing Director (current position) from 2019. The Company nominates him for Director as he has a wealth of business experience in sales division of medical products and broad insight into such field.</p>	6,200
4	Hitoshi Saito (August 25, 1955)	<p>April 1978 Joined the Company</p> <p>July 2005 Department Manager, Sourcing & Purchasing Department, Manufacturing Management & Material Procurement Center</p> <p>April 2008 Department Manager, R&D Administration Department, R&D Administration Division, Research & Development</p> <p>April 2010 Corporate Officer; Head of R&D Administration Division, Research & Development</p> <p>June 2014 Director (current position)</p> <p>June 2014 General Manager, Resource Procurement, Production & Assurance (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1978, Mr. Hitoshi Saito assumed positions including Department Manager, Sourcing & Purchasing Department, Manufacturing Management & Material Procurement Center from 2005, Department Manager, R&D Administration Department from 2008, and Director in charge of Resource Procurement, Production & Assurance (current position) from 2014. The Company nominates him for Director as he has a wealth of business experience in supply chain and reliability assurance and broad insight into such field.</p>	5,900

5	Kenro Kobayashi (May 26, 1958)	<p>April 1982 Joined the Company</p> <p>April 2007 Department Manager, Kyoto Branch Office, Sales and Marketing</p> <p>April 2010 Corporate Officer; Department Manager, Nagoya Branch Office, Sales Promotion Division, Sales and Marketing</p> <p>April 2013 Corporate Officer; Head of Kinki Tokai Division, Sales and Marketing</p> <p>April 2015 Corporate Officer; Deputy Head of Functional Food Division</p> <p>June 2015 Director (current position)</p> <p>June 2015 General Manager, Functional Food; Head of Functional Food Division (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1982, Mr. Kenro Kobayashi assumed positions including Department Manager of Kyoto Branch Office from 2007, Department Manager of Nagoya Branch Office from 2010, Head of Kinki Tokai Division from 2013, and Director in charge of Functional Food (current position) from 2015. The Company nominates him for Director as he is effectively utilizing his wealth of business experience in sales division of medical products and broad insight into functional food division.</p>	5,200
6	Takashi Takaya (November 13, 1960)	<p>April 1984 Joined the Company</p> <p>April 2005 Department Manager, Marketing Department, Sales and Marketing</p> <p>April 2009 Department Manager, Marketing Department, Sales and Marketing Planning Division, Sales and Marketing</p> <p>April 2010 Department Manager, Marketing and Planning Department, Sales and Marketing Planning Division, Sales and Marketing</p> <p>April 2011 Head of Sales and Marketing Planning Division, Sales and Marketing</p> <p>April 2012 Corporate Officer; Head of Sales and Marketing Planning Division, Sales and Marketing</p> <p>June 2018 Director (current position)</p> <p>June 2018 General Manager, Administration (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1984, Mr. Takashi Takaya assumed positions including Manager, Business Planning Section, Tokyo Branch Office from 1999, Section Manager, Corporate Strategy Department from 2001, Manager, Planning Section, Marketing and Planning Department from 2003, Department Manager, Marketing Department from 2005, Department Manager, Marketing and Planning Department from 2010, Head of Sales and Marketing Planning Division from 2011 and Director in charge of Administration (current position) from 2018. The Company nominates him for Director as he has a wealth of business experience and broad insight into such field.</p>	4,100
7	Takanori Edamitsu (August 8, 1963)	<p>April 1989 Joined the Company</p> <p>August 2011 Department Manager, Corporate Planning Department</p> <p>April 2013 Corporate Officer; Department Manager, Corporate Planning Department</p> <p>June 2018 Director (current position)</p> <p>June 2018 General Manager, Business Management (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1989, Mr. Takanori Edamitsu assumed positions including Manager, Corporate Planning Section, Corporate Planning Department from 2005, Department Manager, Corporate Planning Department from 2011 and Director in charge of Business Management (current position) from 2018. The Company nominates him for Director as he has a wealth of experience in corporate planning and broad insight into such field.</p>	3,500

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
8	Toru Nakai (December 23, 1971)	<p>April 1995 Joined the Company</p> <p>April 2016 Department Manager, Business Planning Department</p> <p>April 2018 Acting General Manager, Corporate Planning (NS Pharma, Inc.)</p> <p>April 2019 General Manager, Global Business Division, Attached to Global Business Division (NS Pharma, Inc.)</p> <p>June 2019 Director (current position)</p> <p>June 2019 General Manager, Global Business; Head of Global Business Division (current position)</p> <p>[Reasons for the nomination for Director] After joining the Company in 1995, Mr. Toru Nakai assumed positions including Department Manager, Business Planning Department from 2016. Further, in 2018, he was transferred to U.S. subsidiary NS Pharma, Inc. (General Director, Corporate Planning of U.S. branch). In 2019, he was General Manager, Global Business Division and later became Director and General Manager, Global Business. The Company nominates him for Director as he has a wealth of experience in global business and broad insight into such field</p>	3,400
9	<p>Candidate for External Director</p> <p>Candidate for Independent Director</p> <p>Yukio Sugiura (February 3, 1942)</p>	<p>January 1988 Professor, Institute for Chemical Research, Kyoto University</p> <p>March 1998 Guest professor, Pharmaceutical Department, The University of Manchester</p> <p>April 1998 Director, Institute for Chemical Research, Kyoto University</p> <p>April 2005 Emeritus professor, Kyoto University (current position)</p> <p>April 2005 President, The Pharmaceutical Society of Japan</p> <p>April 2007 Specially appointed professor, Faculty of Pharmaceutical Sciences, Doshisha Women's College of Liberal Arts</p> <p>June 2013 External Director (current position)</p> <p>[Service period as External Director of the Company] He will have served as External Director for 7 years at the conclusion of this General Meeting of Shareholders.</p> <p>[Significant concurrent position] None</p> <p>[Reasons for the nomination for External Director] The Company nominates Dr. Yukio Sugiura for External Director as he is offering advice to the management of the Company from a practical perspective based on his expertise and insight from an independent standpoint as a pharmacologist.</p>	1,700

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
10	Candidate for External Director	April 1985 Registered with Kyoto Bar Association	1,700
	Candidate for Independent Director	December 1989 Joined Inoue Sakata Law Office	
11	Candidate for External Director	July 1995 Partner, Oike Law Office (current position)	100
	Candidate for Independent Director	April 1998 Vice President, Kyoto Bar Association	
10	Hitoshi Sakata (January 22, 1953)	February 2010 Guest researcher, Faculty of Law, University of Cambridge	1,700
		April 2011 Professor, Doshisha Law School, Graduate School of Doshisha University	
11	Miyuki Sakurai (December 15, 1964)	June 2013 External Director (current position)	100
		June 2016 Outside Audit & Supervisory Board Member of KYOCERA Corporation (current position)	
10	Hitoshi Sakata (January 22, 1953)	[Service period as External Director of the Company] He will have served as External Director for 7 years at the conclusion of this General Meeting of Shareholders.	1,700
		[Significant concurrent positions] Partner, Oike Law Office Outside Audit & Supervisory Board Member of KYOCERA Corporation	
11	Miyuki Sakurai (December 15, 1964)	[Reasons for the nomination for External Director] The Company nominates Mr. Hitoshi Sakata for External Director as he is offering advice to the management of the Company from a practical perspective based on his expertise and insight from an independent standpoint as a lawyer.	100
		[Significant concurrent positions] Partner, Oike Law Office Outside Audit & Supervisory Board Member of KYOCERA Corporation	
11	Miyuki Sakurai (December 15, 1964)	April 1992 Completed training program at Legal Training and Research Institute of Japan	100
		April 1992 Registered with Osaka Bar Association	
11	Miyuki Sakurai (December 15, 1964)	April 1992 Joined Nishimura Law and Accounting Office	100
		May 2003 Joint Owner, Hanamizuki Law Office (current position)	
11	Miyuki Sakurai (December 15, 1964)	March 2015 Auditor, Nissay Life Foundation (current position)	100
		April 2016 Auditor, Osaka University (current position)	
11	Miyuki Sakurai (December 15, 1964)	June 2017 External Director (current position)	100
		June 2020 Member of the Board, NIPPON SHOKUBAI CO., LTD. (scheduled)	
11	Miyuki Sakurai (December 15, 1964)	[Service period as External Director of the Company] She will have served as External Director for 3 years at the conclusion of this General Meeting of Shareholders.	100
		[Significant concurrent positions] Joint Owner, Hanamizuki Law Office Member of the Board, NIPPON SHOKUBAI CO., LTD. (scheduled)	
11	Miyuki Sakurai (December 15, 1964)	[Reasons for the nomination for External Director] The Company nominates Ms. Miyuki Sakurai for External Director, as she is offering advice to the management of the Company from a practical perspective based on her expertise and insight from an independent standpoint as a lawyer.	100
		[Significant concurrent positions] Joint Owner, Hanamizuki Law Office Member of the Board, NIPPON SHOKUBAI CO., LTD. (scheduled)	

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
12	Candidate for External Director	July 1975 Joined Osaka University Hospital November 1981 Department of Maternal Medicine, Osaka Medical Center for Maternal and Child Health	0
	Candidate for Independent Director	October 1989 Obtained the degree of Doctor of Medicine (Osaka University)	
	Yoshinao Wada (December 25, 1950)	April 1991 Department Manager, Department of Molecular Medicine, Research Institute, Osaka Medical Center for Maternal and Child Health	
		April 1998 Director, Research Institute, Osaka Medical Center for Maternal and Child Health	
		April 2011 Department Manager, Department of Maternal Medicine; Director, Research Institute; Osaka Medical Center for Maternal and Child Health	
		April 2014 Chief Department Manager, Department of Maternal Medicine; Director, Research Institute; Osaka Medical Center for Maternal and Child Health	
		April 2016 Part-time physician, Department of Maternal Medicine, Osaka Medical Center for Maternal and Child Health	
		April 2017 Part-time physician, Department of Maternal Medicine, Osaka Women's and Children's Hospital (current position)	
		April 2018 Visiting Professor, Yokohama City University	
		June 2019 Director (current position)	
		[Service period as External Director of the Company] He will have served as External Director for 1 year at the conclusion of this General Meeting of Shareholders.	
		[Significant concurrent positions] Part-time physician, Department of Maternal Medicine, Osaka Women's and Children's Hospital	
		[Reasons for the nomination for External Director] The Company nominates Dr. Yoshinao Wada for External Director, as he is offering advice to the management of the Company from a practical perspective based on his expertise and insight from an independent standpoint as a physician.	

(Notes)

- There are no special interests between each candidate and the Company.
- The Company stipulates criteria of independence for Independent Outside Officers (see page 13). (The Company's website "Corporate Governance Basic Policy" (https://www.nippon-shinyaku.co.jp/english/img/company_profile/CorporateGovernanceBasicPolicy_December17_2018.pdf)). All candidates for External Director in this proposal meet the criteria.
Other matters concerning the candidates for External Director are as follows:
 - Concerning the liability prescribed in the Article 423, Paragraph 1 of the Companies Act, the Company has entered, pursuant to Article 427, Paragraph 1 of the same Act, into an agreement with Dr. Yukio Sugiura, Mr. Hitoshi Sakata, Ms. Miyuki Sakurai, and Mr. Yoshinao Wada to limit maximum amount of their liability to be the amount set forth as minimum liability in Article 425, Paragraph 1 of the same Act.
 - The Company has designated Dr. Yukio Sugiura, Mr. Hitoshi Sakata, Ms. Miyuki Sakurai, and Mr. Yoshinao Wada as independent directors stipulated by Tokyo Stock Exchange and reported such designation to the Exchange. If the reelection of all of these candidates is approved and resolved, they will continue to serve as independent directors.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Hideya Mukai and Tsuyoshi Kondo will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidates are listed on the next page.

(Reference) The composition of the Audit & Supervisory Board after the election (scheduled)

No.	Name		Current positions at the Company	Tenure of office	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Significant concurrent positions
—	Morio Matsuura		Standing Audit & Supervisory Board Member	1	100% (10/10)	100% (12/12)	
1	Kenji Kuwabara	New Candidate	Adviser, Global Business, Deputy Manager	—	—	—	
2	Tsuyoshi Kondo	Reappointment Outside Independent	Outside Audit & Supervisory Board Member	4	100% (12/12)	100% (16/16)	President of Kondo Law Office Outside Director, Senshu Electric Co., Ltd.
—	Sumitaka Maruyama	Outside Independent	Outside Audit & Supervisory Board Member	1	100% (10/10)	100% (12/12)	President, Sumitaka Maruyama Accounting Office Outside Director, UNITIKA LTD.

No.	Name (Date of birth)	Past experience, positions at the Company and significant concurrent positions	Number of shares of the Company held
1	New candidate	<p>April 1983 Joined the Company</p> <p>October 2004 Department Manager, Biological Research Department, Discovery Research Labs., Research & Development</p> <p>April 2008 Department Manager, Nucleic Acid Business Promotion Department, Nucleic Acid Business Division, Research & Development</p> <p>January 2010 Department Manager, Discovery Research Laboratories in Tsukuba, Discovery Research Labs., Research & Development</p> <p>April 2012 Department Manager, Alliance & Business Planning Department, Business Development Division, Research & Development</p> <p>April 2016 Head Representative, Beijing Representative Office</p> <p>April 2019 Adviser, Global Business Division, Head Representative, Beijing Representative Office</p> <p>June 2019 Adviser, Global Business, Head Representative, Beijing Representative Office</p> <p>April 2020 Adviser, Global Business, Deputy Manager (current position)</p> <p>[Reasons for the nomination for Audit & Supervisory Board Member] After joining the Company in 1983, Mr. Kenji Kuwabara assumed positions including Department Manager, Biological Research Department, Discovery Research Labs. from 2004, Department Manager, Nucleic Acid Business Promotion Department from 2008, Department Manager, East Discovery Research Labs. from 2010, Department Manager, Alliance & Business Planning Department from 2012, and Head Representative, Beijing Representative Office from 2016. The Company nominates him for Audit & Supervisory Board Member based on a belief that he has adequate experience and ability required for an Audit & Supervisory Board Member of the Company.</p>	6,700
	Kenji Kuwabara (March 4, 1958)		
2	Candidate for Outside Audit & Supervisory Board Member	<p>April 1993 Graduated from legal training, The Legal Training and Research Institute of Japan</p> <p>April 1993 Licensed Attorney</p> <p>April 1993 Employee, Chiaki and Tsuyoshi Kondo Law Office</p> <p>April 2001 President, Kondo Law Office (current position)</p> <p>April 2003 Registered as Patent Attorney</p> <p>April 2010 Special-appointed Professor, Legal Affairs Research, Graduate School, Kansai University (current position)</p> <p>June 2016 Audit & Supervisory Board Member (current position)</p> <p>January 2018 External Director, SENSU ELECTRIC CO., LTD. (current position)</p> <p>[Service period as Outside Audit & Supervisory Board Member of the Company] He will have served as Outside Audit & Supervisory Board Member for 4 years at the conclusion of this General Meeting of Shareholders.</p> <p>[Significant concurrent positions] President, Kondo Law Office External Director, SENSU ELECTRIC CO., LTD.</p> <p>[Reasons for the nomination for Outside Audit & Supervisory Board Member] The Company nominates Mr. Tsuyoshi Kondo for Outside Audit & Supervisory Board Member as he is expected to offer advice for the soundness and transparency of the Company's corporate management and for the enhancement of compliance based on his expertise and insight from an independent standpoint as an attorney.</p>	500
	Tsuyoshi Kondo (November 19, 1963)		

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company stipulates criteria of independence for Independent Outside Officers (see the following). The Company's website "Corporate Governance Basic Policy" (https://www.nippon-shinyaku.co.jp/english/img/company_profile/CorporateGovernanceBasicPolicy_December17_2018.pdf) Candidate for Outside Audit & Supervisory Board Member Tsuyoshi Kondo in this proposal meets the criteria. Other matters concerning the candidates for Outside Audit & Supervisory Board Member are as follows:
 - (1) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with Mr. Tsuyoshi Kondo to limit maximum amount of his liability prescribed in the Article 423, Paragraph 1 of the same Act, to be the amount set forth as minimum liability in Article 425, Paragraph 1 of the same Act.
 - (2) The Company will designate Mr. Tsuyoshi Kondo as independent audit & supervisory board member stipulated by the Tokyo Stock Exchange and report such designation to the Exchange.

Criteria for judgment of independence

Outside executives (External Directors and Outside Audit & Supervisory Board Members) and other candidates that do not come under any of the following categories shall be considered by the Company to have an adequate degree of independence.

- (1) Current or past executive officers of the Company (including subsidiaries; likewise hereafter)
- (2) Major trading partners of the Company, or their executive officers
- (3) Parties for which the Company is a major transaction partner, or their executive officers
- (4) Consultants, accountancy specialists or legal experts (in the case of corporations, associations and other groups, those who belong to such groups) who receive large sums of money or other assets from the Company in forms other than executive compensation
- (5) Major shareholders of the Company or their executive officers
- (6) Parties who receive significant monetary donations from the Company (in the case of corporations, associations and other groups, executive officers of such groups)
- (7) Any close relative(s) of those specified in (1) to (6) who is a significant party

* Notes

- (1) - (6) "Executive officers" above refers to executive directors, executive corporate officers or any other individuals or employees with equivalent status
- (2) "Major trading partners of the Company" refers to any trading partner who has accounted for more than 2% of consolidated sales of the Company by transaction amount over the most recent business year
- (3) "Parties for which the Company is a major transaction partner" refers to any trading partner for which the Company is deemed important; that is, the Company has accounted for more than 2% of its consolidated sales by transaction amount over the most recent business year
- (4) and (6) "Large sums" refers to sums in excess of ¥10 million or exceeding 2% of consolidated sales or total revenues of the party in question
- (5) "Major shareholders of the Company" means shareholders holding at least 10% of the total voting rights
- (7) "Significant party" means executive officers of general manager grade or higher, and "close relatives" refers to spouse or family members in second degree