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(Securities Code: 4768)

March 9, 2020

To our shareholders:

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

NOTICE OF THE 59TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 59th 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., Thursday, March 26, 2020 (JST).

[Voting in writing (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 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:** Friday, March 27, 2020, 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 59th fiscal year (from January 1, 2019 to December 31, 2019), 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 59th fiscal year (from January 1, 2019 to December 31, 2019)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Three Audit & Supervisory Board Members

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 59th 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 ¥110 per common share of the Company, an increase of ¥25 compared to the previous fiscal year's ordinary dividend of ¥85.

In this event, the total dividends will be ¥20,856,133,320.

(3) Effective date of dividends of surplus

The effective date of dividends will be March 30, 2020.

Proposal 2: Election of Three Audit & Supervisory Board Members

At the conclusion of this Meeting, the term of office of Audit & Supervisory Board Members Kazuhiko Nakai, Tetsutaro Wakatsuki, and Etsuo Hada will expire. Therefore, the Company proposes the election of three Audit & Supervisory Board Members.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
1	Kazuhiko Nakai (August 31, 1951)	Aug. 1976 Joined Chuo Audit Corporation Mar. 1981 Registered as a certified public accountant Nov. 1995 Senior Partner of Chuo Audit Corporation Mar. 2005 Registered as a certified tax accountant Established Kazuhiko Nakai Tax Accountant Office Director (current position) Jul. 2007 Senior Partner of Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC) Jun. 2010 Resigned from Ernst & Young ShinNihon LLC Jul. 2010 Established Kazuhiko Nakai CPA Office Director (current position) Jun. 2011 Outside Audit & Supervisory Board Member of Nippon Antenna Co., Ltd. (current position) Mar. 2012 Outside Audit & Supervisory Board Member of the Company (current position) Feb. 2019 External Director of S-Pool, Inc. (current position) [Significant concurrent positions outside the Company] Director of Kazuhiko Nakai Tax Accountant Office Director of Kazuhiko Nakai CPA Office Outside Audit & Supervisory Board Member of Nippon Antenna Co., Ltd. External Director of S-Pool, Inc.	– shares
[Reasons for nomination as candidate for outside Audit & Supervisory Board Member] The Company nominated Kazuhiko Nakai for another term as a candidate for outside Audit & Supervisory Board Member because he is deemed capable of appropriately executing duties as an outside Audit & Supervisory Board Member based on the knowledge and experience he possesses as a certified public accountant and a certified tax accountant, and his long-standing engagement in the practice of corporate accounting. Furthermore, although Mr. Nakai has never in the past been involved in the management of a company except as an outside officer, the Company deems that he is capable of suitably fulfilling his role as an outside Audit & Supervisory Board Member for the aforementioned reasons. Mr. Nakai has served as an outside Audit & Supervisory Board Member of the Company since March 2012, and his term of office will be eight years at the conclusion of this Meeting.			

No.	Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
2	Etsuo Hada (November 27, 1961)	<p>Sep. 1987 Joined Chuo Audit Corporation</p> <p>Mar. 1990 Registered as a certified public accountant</p> <p>Aug. 1993 Registered as a judicial scrivener</p> <p>Sep. 1993 Director of Hada CPA and Judicial Scrivener Office (current position)</p> <p>Jun. 1999 Registered as a certified tax accountant</p> <p>Jun. 2004 Registered as an administrative scrivener</p> <p>Jun. 2004 Corporate Auditor of The Nikkan Kogyo Shimbun, Ltd. (current position)</p> <p>Mar. 2016 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Director of Hada CPA and Judicial Scrivener Office</p> <p>Corporate Auditor of The Nikkan Kogyo Shimbun, Ltd.</p>	– shares
<p>[Reasons for nomination as candidate for outside Audit & Supervisory Board Member]</p> <p>The Company nominated Etsuo Hada for another term as a candidate for outside Audit & Supervisory Board Member because he is deemed capable of appropriately executing duties as an outside Audit & Supervisory Board Member based on the knowledge and experience he possesses as a certified public accountant, a certified tax accountant, a judicial scrivener, and an administrative scrivener, and his long-standing engagement in the practice of corporate accounting and corporate legal affairs.</p> <p>Furthermore, although Mr. Hada has never in the past been involved in the management of a company except as an outside officer, the Company deems that he is capable of suitably fulfilling his role as an outside Audit & Supervisory Board Member for the aforementioned reasons.</p> <p>Mr. Hada has served as an outside Audit & Supervisory Board Member of the Company since March 2016, and his term of office will be four years at the conclusion of this Meeting.</p>			
* 3	Katsumasa Minagawa (July 21, 1971)	<p>Apr. 1998 Joined Mitsubishi Corporation</p> <p>Dec. 2007 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association)</p> <p>Sep. 2010 Established Minagawa Ebisu Law Office Representative Attorney (current position)</p> <p>Jun. 2016 Outside Statutory Auditor of Ubiquitous Corporation (currently Ubiquitous AI Corporation) (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Attorney of Minagawa Ebisu Law Office</p> <p>Outside Statutory Auditor of Ubiquitous AI Corporation</p>	– shares
<p>[Reasons for nomination as candidate for outside Audit & Supervisory Board Member]</p> <p>The Company nominated Katsumasa Minagawa for another term as a candidate for outside Audit & Supervisory Board Member because he is deemed capable of appropriately executing duties as an outside Audit & Supervisory Board Member based on the knowledge and experience he possesses as an attorney at law, and his long-standing engagement in the practice of corporate legal affairs.</p> <p>Furthermore, although Mr. Minagawa has never in the past been involved in the management of a company except as an outside officer, the Company deems that he is capable of suitably fulfilling his role as an outside Audit & Supervisory Board Member for the aforementioned reasons.</p>			

- (Notes) 1. New candidate for Audit & Supervisory Board Member is indicated by an asterisk (*).
2. There is no special interest between any of the candidates and the Company.
3. Kazuhiko Nakai, Etsuo Hada and Katsumasa Minagawa are candidates for outside Audit & Supervisory Board Member.
4. The Company has submitted notification as to Kazuhiko Nakai's and Etsuo Hada's statuses as independent officers as defined by the Tokyo Stock Exchange, and if their election is approved and adopted, the Company plans to once again submit notification as to their statuses as independent officers. In addition, if the election of Katsumasa Minagawa is approved and adopted, the Company plans to submit notification as to his status as an independent officer as defined by the Tokyo Stock Exchange.

5. The Company has entered into agreements with Kazuhiko Nakai and Etsuo Hada to limit their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. According to these agreements, the limit of liability for damages shall be the amount stipulated by laws and regulations. If the two candidates are elected as per the original proposal, the Company plans to enter into the same agreements with them. If Katsumasa Minagawa is elected as per the original proposal, the Company plans to enter into the same agreement with him.