Securities Code: 7979
June 5, 2017

To Our Shareholders:

11 Kamitakamatsu-cho,Fukuine,
Higashiyama-ku, Kyoto
SHOFU INC.
Noriyuki Negoro
President & CEO

Notice of Convocation of the 145th Ordinary Shareholders' Meeting

You are cordially invited to attend the 145th Ordinary Shareholder's Meeting of Shofu Inc. (the "Company") to be held as set forth below.

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing. Please review the Reference Materials for the Ordinary Shareholder's Meeting attached below, indicate "for" or "against" on each agenda item on the enclosed voting form, and post it to arrive by no later than 5:00 p.m. on Monday, June 26, 2017.

Sincerely yours,

1. Date and Time:	Tuesday, June 27, 2017 at 10:00 a.m. (resigstration at 9:00 a.m.)
2. Venue:	Shofu Inc. (Headquarters Kosei-Kan) 11 Kamitakamatsu-cho, Fukuine, Higashiyama-ku, Kyoto
3. Purposes:	
Items to be reported:	1. The business report, the consolidated financial statements and the results of consolidated financial statements audits by the Accounting Auditor and the Board of Auditors for the 145th fiscal year (from April 1, 2016 to March 31, 2017) 2. The non-consolidated financial statements for the 145th fiscal year (from April 1, 2016 to March 31, 2017)
Items to be resolved:	
Agenda No. 1:	Election of Eight (8) Directors
Agenda No. 2:	Election of One (1) Substitute Auditor

- Please submit the enclosed voting form at the reception desk when you attend the Meeting in person.

- If you exercise your voting rights at the Meeting through a proxy, the proxy shall be a shareholder of the Company. In addition, the proxy shall be limited to one person. When your proxy attends the Meeting, he/she is required to submit your voting form as a shareholder, as well as a letter of proxy authorization, at the reception desk.
- Pursuant to laws and regulations, and Article 16 of the Company's Articles of Incorporation, among the materials to be provided with this Notice of Convocation, notes to the consolidated financial statements and notes to the non-consolidated financial statements are not attached to this Notice of Convocation, but are posted on the Company's website (http://www.shofu.co.jp/ir/contents/hp1330/index.php?No=913&CNo=1330). Notes to the consolidated financial statements and notes to the non-consolidated financial statements were audited as part of consolidated financial statements and non-consolidated financial statements when the Accounting Auditor and the Board of Auditors prepared the audit report.
- Please note that any revision made by the previous day of the Ordinary Shareholder's Meeting to the reference materials for the Ordinary Shareholder's Meeting, the business report, the financial statements or the consolidated financial statements, will be published on the Company's website.
- We would appreciate your understanding that our executives and employees will wear light clothing (cool biz) at the Ordinary Shareholder's Meeting. We would also appreciate it if you would also attend the Meeting in light clothing.

Reference Materials for the Ordinary Shareholder's Meeting

Meeting Agenda and Referential Matters

Agenda No. 1: Election of Eight (8) Directors

The terms of office of eight (8) Directors – Noriyuki Negoro, Wataru Fujishima, Yoshinao Nishida, Takashi Chikamochi, Fumitaka Yamazaki, Mikito Deguchi, Kiichi Suzuki and Kenji Nishida – will expire upon the close of this Ordinary Shareholders' Meeting. Accordingly, the election of eight (8) Directors is proposed.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Brief profile, positions and responsibilities at the Company, and significant concurrent positions	Number of Company's shares held
1	Noriyuki Negoro (March 9, 1956)	March 1981 Joined the Company June 2003 Director, General Manager, Research & Development Department July 2007 Managing Director General Manager, Research & Development Department June 2008 Managing Director, Research & Development, Quality Assurance and Production General Manager, Research & Development Department April 2009 Managing Director, Research & Development, Quality Assurance and Production June 2009 President (Representative Director) June 2015 Representative Director, President Chief Executive Officer (to present) < Reasons for nomination as a candidate for Director > Mr. Noriyuki Negoro has been committed to the development of a variety of new products at the research & development department since he joined the Company and has gained experience as director in charge of research & development, quality assurance and production. He has demonstrated leadership since he assumed the position of President (Representative Director), setting forth the goal of "What the Company should be" on the Company's 100th anniversary. He has been nominated as a candidate for Director because of his achievements such as those above.	52,100 shares

Candidate No.	Name (Date of birth)	Brief profile, positions and responsibilities at the Company, and significant concurrent positions	Number of Company's shares held
2	Wataru Fujishima (August 26, 1954)	March 2009 Joined the Company April 2009 General Manager, Finance Department June 2011 Executive Officer General Manager, Finance Department June 2012 Managing Director, Finance, Personnel, General Affairs and Corporate Planning June 2013 Managing Director, Finance, Personnel, General Affairs and Nail Business June 2014 Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business December 2014 Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business General Manager, Finance Department General Manager, Nail Business Department April 2015 Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business General Manager, Nail Business Department June 2015 Representative Director Senior Managing Executive Officer, Finance, Personnel, General Affairs and Nail Business General Manager, Nail Business Department April 2016 Representative Director Senior Managing Executive Officer Finance, Personnel, General Affairs and Nail Business (to present) < Reasons for nomination as a candidate for Director > Mr. Wataru Fujishima has a proven track record as a director in charge of nail business in addition to serving as a director of the management departments since he joined the Company. Recently, he has assumed the heavy responsibility of being Representative Director. He has been nominated as a candidate for Director because of his achievements such as those above.	24,100 shares

Candidate No.	Name (Date of birth)	Brief profile, positions and responsibilities at the Company, and significant concurrent positions	Number of Company's shares held
3	Takashi Chikamochi (September 11, 1955)	March 1981 Joined the Company June 2007 Director General Manager, Tokyo Branch October 2009 Director General Manager, Sales Department June 2011 Senior Executive Officer General Manger, Sales Department June 2012 Director, Marketing June 2015 Director Managing Executive Officer, Marketing (to present) < Reasons for nomination as a candidate for Director > Mr. Takashi Chikamochi has been in sales departments since he joined the Company, and has currently assumed the heavy responsibility of being director in charge of marketing. He has been nominated as a candidate for Director because of his achievements such as those above.	29,700 shares
4	Fumitaka Yamazaki (May 27, 1961)	March 1981 Joined the Company April 2008 General Manager, Corporate Planning Department June 2011 Executive Officer General Manager, Corporate Planning Department June 2013 Director, Corporate Planning June 2015 Director Managing Executive Officer, Corporate Planning (to present) < Reasons for nomination as a candidate for Director > Mr. Fumitaka Yamazaki has been in the management and corporate planning departments since he joined the Company, and has currently assumed the heavy responsibility of being director in charge of general planning. He has been nominated as a candidate for Director because of his achievements such as those above.	18,700 shares

Candidate No.	Name (Date of birth)	Brief profile, positions and responsibilities at the Company, and significant concurrent positions	Number of Company's shares held
5	Mikito Deguchi (September 19, 1955)	March 1982 Joined the Company April 2009 General Manager, Research & Development Department June 2011 Executive Officer General Manager, Research & Development Department April 2013 Executive Officer General Manager, Quality Assurance Department June 2013 Executive Officer General Manager, Quality Assurance Department General Manager on Special Assignment, Nail Business Department June 2014 Director, Research & Development, Quality Assurance and Production June 2015 Director Managing Executive Officer, Research & Development, Quality Assurance and Production (to present) < Reasons for nomination as a candidate for Director > Mr. Mikito Deguchi has been in the research & development departments since he joined the Company, moved to the quality assurance department, and has currently assumed the heavy responsibility of being director in charge of research & development, quality assurance and production. He has been nominated as a candidate for Director because of his achievements such as those above.	16,400 shares
6	* Kazuhiko Murakami (April 26, 1958)	March 1981 Joined the Company April 2011 General Manager, International Department June 2015 Executive Officer General Manager, International Department (to present) < Reasons for nomination as a candidate for Director > Mr. Kazuhiko Murakami has been in the finance department and subsequently in the international department since he joined the Company, and has currently assumed the heavy responsibility of growing overseas business into one of the Company's key businesses. He has been nominated as a candidate for Director because of his achievements such as those above.	11,400 shares

Candidate No.	Name (Date of birth)	Brief profile, positions and responsibilities at the Company, and significant concurrent positions	Number of Company's shares held
7	Kiichi Suzuki (May 23, 1949)	April 1973 Joined Mitsui Toatsu Chemicals, Inc. June 2003 Executive Officer of Mitsui Chemicals, Inc. April 2007 Managing Executive Officer of Mitsui Chemicals, Inc. June 2007 Managing Director of Mitsui Chemicals, Inc. June 2009 Senior Managing Director of Mitsui Chemicals, Inc. April 2012 Director Senior Managing Executive Officer of Mitsui Chemicals, Inc. April 2013 Representative Director, Chairman of Mitsui Chemicals Agro, Inc. April 2015 Senior Advisor of Mitsui Chemicals Agro Inc. (to present) June 2015 Director of the Company (to present) < Reasons for nomination as a candidate for Outside Director > Mr. Kiichi Suzuki is a candidate for Outside Director. Mr. Kiichi Suzuki is expected to exercise his excellent judgment on the basis of his extensive experience as a corporate manager in running the Company. Kiichi Suzuki has served as Outside Director of the Company for two years.	7,400 shares
8	Kenji Nishida (May 5, 1947)	July 1972 Joined the Chuo Accounting Firm December 1975 Registered as a Certified Public Accountant May 1982 Opened Kenji Nishida Certified Public Accountant Office (to present) June 2001 Auditor of the Company June 2015 Director of the Company (to present) < Reasons for nomination as a candidate for Outside Director > Mr. Kenji Nishida is a candidate for Outside Director. Mr. Kenji Nishida is expected to appropriately perform the duties of Outside Director because he has a thorough knowledge of finance and accounting as a certified public accountant with excellent judgment regarding business administration. Kenji Nishida has served as Outside Auditor for 14 years and Outside Director for two years.	15,900 shares

Notes:

1. There are no special interests between the candidates and the Company.
2. New candidates for Director are indicated by *.
3. The Company has concluded an agreement with Mr. Kiichi Suzuki and Mr. Kenji Nishida, which limits their liability for damages, as specified in Article 423, Paragraph 1 of the Company Act, to the amount prescribed in laws and regulations, and will maintain said limited liability agreement with both of them. Mr. Kiichi Suzuki and Mr. Kenji Nishida satisfy the requirements for independent officers in accordance with the provisions set forth by Tokyo Stock Exchange, Inc. The Company has registered Mr. Kiichi Suzuki and Mr. Kenji Nishida as the Company's independent officers with the Tokyo Stock Exchange.

Agenda No.2: Election of One (1) Substitute Auditor

The effective tenure of Substitute Auditor Masatoshi Ohara will expire at the opening of this Ordinary Shareholder's Meeting. Accordingly, the election of one new Substitute Auditor is proposed in the case where the number of auditors should fall short of the number specified by laws and regulations.

For the submission of this proposal, the Board of Auditors' consent has been obtained in advance.

The candidate for the Substitute Auditor is as follows:

Name (Date of birth)	Brief profile, positions and responsibilities at the Company, and significant concurrent positions		Number of Company's shares held
Masatoshi Ohara (April 25, 1951)	April 1979	Registered as attorney at law Joined Kikkawa Sogo Law Office (currently Kikkawa Law Offices) (to present)	—
	August 1986	Registered as attorney at law in New York	
	April 2004	Specially appointed lecturer at Osaka City University's School of Law teaching Civil Law)	
	April 2010	Part time lecturer at the Osaka City University's School of Law	
	April 2017	Chairman of Osaka Bar Association (to present)	

Notes:

1. There are no special interests between the candidate and the Company.
2. Mr. Masatoshi Ohara is a candidate for Substitute Outside Auditor. Mr. Masatoshi Ohara is expected to appropriately perform the duties of Outside Auditor because he has a thorough knowledge of legal affairs, including corporate law, as an attorney with excellent judgment regarding business administration.
3. If Mr. Masatoshi Ohara takes office as Outside Auditor, the Company will conclude an agreement with him which limits his liabilities for damages, as specified in Article 423, Paragraph 1 of the Company Act, to the amount prescribed in laws and regulations.