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Securities Code: 7979

June 4, 2018

To Our Shareholders:

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

Notice of Convocation of the 146th Ordinary Shareholders' Meeting

You are cordially invited to attend the 146th Ordinary Shareholders' Meeting of Shofu Inc. (the "Company") to be held on June 26, 2018 (Tuesday) as set forth below.

Sincerely yours,

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| 1. Date and Time: | Tuesday, June 26, 2018 at 10:00 a.m. (resigstration at 9:00 a.m.) |
| 2. Venue: | Shofu Inc. (Headquarters Kosei-Kan)
11 Fukuinekamitakamatsu-cho, Higashiyama-ku, Kyoto |
| 3. Purposes: | |
| Items to be reported: | <ol style="list-style-type: none">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 146th fiscal year (from April 1, 2017 to March 31, 2018)2. The non-consolidated financial statements for the 146th fiscal year (from April 1, 2017 to March 31, 2018) |
| Items to be resolved: | |
| Agenda No. 1: | Election of eight (8) Directors |
| Agenda No. 2: | Election of one (1) Auditor |
| Agenda No. 3: | Election of one (1) Substitute Auditor |

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- Please submit the enclosed voting form at the reception desk when you attend the Meeting in person.
 - 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 Shareholders' 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 25, 2018.
 - 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 Meeting to the reference materials for the 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 Meeting. We would also appreciate it if you would also attend the Meeting in light clothing.

Reference Materials for the Ordinary Shareholders' 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, Takashi Chikamochi, Fumitaka Yamazaki, Mikito Deguchi, Kazuhiko Murakami, 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.	Noriyuki Negoro			
1	Date of Birth : March 9, 1956	Number of Company's shares held: 54,600 shares		
Re-Appointment	Brief profile, positions, responsibilities and significant concurrent positions			
	March 1981	Joined the Company	April 2009	Managing Director, Research & Development, Quality Assurance and Production
	June 2003	Director		
		General Manager, Research & Development Department	June 2009	President (Representative Director)
	July 2007	Managing Director		
		General Manager, Research & Development Department	June 2015	Representative Director, President Chief Executive Officer (to present)
	June 2008	Managing Director, Research & Development, Quality Assurance and Production		
		General Manager, Research & Development Department		

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. He has been nominated as a candidate for Director because of his achievements such as those above.

Candidate No. **Wataru Fujishima**

2

Date of Birth : August 26, 1954

Number of Company's shares held: 27,500 shares

Re-Appointment

Brief profile, positions, responsibilities and significant concurrent positions

March 2009	Joined the Company	April 2015	Senior Managing Director
April 2009	General Manager, Finance Department		(Representative Director), Finance, Personnel, General Affairs and Nail Business
June 2011	Executive Officer General Manager, Finance Department		General Manager, Nail Business Department
June 2012	Managing Director, Finance, Personnel, General Affairs and Corporate Planning	June 2015	Representative Director Senior Managing Executive Officer, Finance, Personnel, General Affairs and Nail Business
June 2013	Managing Director, Finance, Personnel, General Affairs and Nail Business		General Manager, Nail Business Department
June 2014	Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business	April 2016	Representative Director Senior Managing Executive Officer, Finance, Personnel, General Affairs and Nail Business (to present)
December 2014	Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business General Manager, Finance Department General Manager, Nail Business Department		

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 department 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.

Candidate No. Takashi Chikamochi**3**

Date of Birth : September 11, 1955

Number of Company's shares held: 32,600 shares

Re-Appointment**Brief profile, positions, responsibilities and significant concurrent positions**

March 1981	Joined the Company	June 2015	Director
June 2007	Director General Manager, Tokyo Branch	June 2017	Director
October 2009	Director General Manager, Sales Department		Senior Managing Executive Officer, Sales, Marketing and International
June 2011	Senior Executive Officer General Manager, Sales Department	April 2018	Director Senior Managing Executive Officer, Sales and Marketing (to present)
June 2012	Director, Marketing		

Reasons for nomination as a candidate for Director

Mr. Takashi Chikamochi has been in sales department since he joined the Company, and has currently assumed the heavy responsibility of being director in charge of sales and marketing. He has been nominated as a candidate for Director because of his achievements such as those above.

Candidate No. Fumitaka Yamazaki**4**

Date of Birth : May 27, 1961

Number of Company's shares held: 19,700 shares

Re-Appointment**Brief profile, positions, responsibilities and significant concurrent positions**

March 1981	Joined the Company	June 2013	Director, Corporate Planning
April 2008	General Manager, Corporate Planning Department	June 2015	Director Managing Executive Officer, Corporate Planning (to present)
June 2011	Executive Officer General Manager, Corporate Planning Department		

Reasons for nomination as a candidate for Director

Mr. Fumitaka Yamazaki has been in the management and corporate planning department 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.

Candidate No. Mikito Deguchi

5

Date of Birth : September 19, 1955

Number of Company's shares held: 19,900 shares

Re-Appointment**Brief profile, positions, responsibilities and significant concurrent positions**

March 1982	Joined the Company	June 2014	Director, Research & Development, Quality Assurance and Production
April 2009	General Manager, Research & Development Department		
June 2011	Executive Officer General Manager, Research & Development Department	June 2015	Director Managing Executive Officer, Research & Development, Quality Assurance and Production (to present)
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		

Reasons for nomination as a candidate for Director

Mr. Mikito Deguchi has been in the research & development department 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.

Candidate No. Kazuhiko Murakami

6

Date of Birth : April 26, 1958

Number of Company's shares held: 13,700 shares

Re-Appointment**Brief profile, positions, responsibilities and significant concurrent positions**

March 1981	Joined the Company	June 2017	Director
April 2011	General Manager, International Department		Managing Executive Officer General Manager, International Department
June 2015	Executive Officer General Manager, International Department	April 2018	Director Managing Executive Officer, International (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 being director in charge of international. He has been nominated as a candidate for Director because of his achievements such as those above.

Candidate No. Kiichi Suzuki

7

Date of Birth : May 23, 1949

Number of Company's shares held:11,700 shares

Re-Appointment**Outside****Brief profile, positions, responsibilities and significant concurrent positions**

April 1973	Joined Mitsui Toatsu Chemicals, Inc.	April 2013	Director of Mitsui Chemicals, Inc. (retired in June 2013)
June 2003	Executive Officer of Mitsui Chemicals, Inc.		Representative Director and Chairman of Mitsui Chemicals Agro, Inc.
April 2007	Managing Executive Officer of Mitsui Chemicals, Inc.	April 2015	Senior Advisor of Mitsui Chemicals Agro, Inc. (retired in June 2017)
June 2007	Managing Director of Mitsui Chemicals, Inc.	June 2015	Director of the Company (to present)
June 2009	Senior Managing Director of Mitsui Chemicals, Inc.		
April 2012	Director Senior Managing Executive Officer of Mitsui Chemicals, Inc.		

Reasons for nomination as a candidate for Outside Director

Mr. Kiichi Suzuki is a candidate for Outside Director. He is expected to exercise his excellent judgment on the basis of his extensive experience as a corporate manager in running the Company. He has served as Outside Director of the Company for three years.

Candidate No. Kenji Nishida

8

Date of Birth : May 5, 1947

Number of Company's shares held: 16,300 shares

Re-Appointment**Outside****Brief profile, positions, responsibilities and significant concurrent positions**

July 1972	Joined Chuo Accounting Firm (retired in May 1982)	June 2001	Auditor of the Company
December 1975	Registered as a Certified Public Accountant	June 2015	Director of the Company (to present)
May 1982	Opened Kenji Nishida Certified Public Accountant Office (to present)		

Reasons for nomination as a candidate for Outside Director

Mr. Kenji Nishida is a candidate for Outside Director. He 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. He has served as Outside Auditor for 14 years and Outside Director for three years.

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- (Note) 1. There are no special interests between any of the candidates and the Company.
2. 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.
3. 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) Auditor

The term of office of Mr. Toshiyuki Nambu as Auditor will expire upon the close of this Ordinary Shareholders' Meeting. Accordingly, the election of one (1) Auditor is proposed.

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

A candidate for Auditor is as follows.

New Appointment

Takao Aoyagi

Date of Birth : June 14, 1957

Number of Company's shares held: 3,900 shares

Brief profile, positions and significant concurrent positions

March 1981 Joined the Company
April 2015 General Manager,
 Corporate Planning
 Department (to present)

Reasons for nomination as a candidate for Auditor

Mr. Takao Aoyagi has been in the sales department and subsequently in the corporate planning department since he joined the Company and he has ample business experience and extensive knowledge in sales, management and planning, and management of group companies etc. He has been nominated as a candidate for Auditor because of his achievements such as those above.

(Note) There are no special interests between the candidate and the Company.

Agenda No. 3: Election of one (1) Substitute Auditor

The effective tenure of Substitute Auditor Masatoshi Ohara will expire at the opening of this Ordinary Shareholders' 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 Substitute Corporate Auditor is as follows.

Re-Appointment

Masatoshi Ohara

Outside

Date of Birth : April 25, 1951

Number of Company's shares held: 0 shares

Brief profile, positions and significant concurrent positions

April 1979	Registered as attorney at law	April 2010	Part time lecturer at the Osaka City University's School of Law (to present)
	Joined Kikkawa Sogo Law Offices (currently Kikkawa Law Offices) (to present)	April 2017	Chairman of Osaka Bar Association (retired in March 2018)
August 1986	Registered as an attorney at law in New York	January 2018	Outside Director, Teijin Frontier Co., Ltd. (to present)
April 2004	Specially appointed lecturer at Osaka City University's School of Law (teaching Civil Law) (retired in March 2010)		

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- (Note) 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.
4. Mr. Masatoshi Ohara satisfies the requirements for independent officers in accordance with the provisions set forth by Tokyo Stock Exchange, Inc. If Mr. Masatoshi Ohara takes office as Outside Auditor, the Company will register him as the Company's independent officer with the Tokyo Stock Exchange.