

This English translation is made for reference purposes only, and in the event of any discrepancies between this and the Japanese version, the Japanese version shall prevail.

Securities Code: 7979

June 9, 2021

To Our Shareholders:

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

Notice of Convocation of the 149th Ordinary Shareholders' Meeting

You are cordially invited to attend the 149th Ordinary Shareholders' Meeting of Shofu Inc. (the "Company") to be held on June 24, 2021 (Thursday) as set forth below.

Sincerely yours,

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|-----------------------|---|
| 1. Date and Time: | Thursday, June 24, 2021 at 10:00 a.m. (registration opens at 9:00 a.m.) |
| 2. Venue: | Shofu Inc. (Headquarters Kosei-Kan)
11 Fukuinekamitakamatsu-cho, Higashiyama-ku, Kyoto, Japan |
| 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 statement audits by the Accounting Auditor and the Board of Auditors for the 149th fiscal year (from April 1, 2020 to March 31, 2021)2. The non-consolidated financial statements for the 149th fiscal year (from April 1, 2020 to March 31, 2021) |
| Items to be resolved: | |
| Agenda No. 1: | Election of Nine (9) Directors |
| Agenda No. 2: | Election of One (1) Substitute Auditor |

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- Please submit the enclosed voting form at the reception desk when attending the Meeting in person.
 - If you are unable to attend the Meeting in person, you may exercise your voting rights in writing or via the internet, etc. Please review the Reference Materials for the Ordinary Shareholders' Meeting attached below, and exercise your voting rights in accordance with the guidance provided on the following page.
 - If you exercise your voting rights at the Meeting through a proxy, the proxy must be a shareholder of the Company. In addition, the proxy must be limited to one person. If 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, the consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements, as well as the non-consolidated statement of changes in shareholders' equity and notes to the non-consolidated financial statements, are not attached to this Notice of Convocation, but are posted on the Company's website (<https://www.shofu.co.jp/ir/contents/hp1330/index.php?No=913&CNo=1330>). The consolidated statement of changes in shareholders' equity, notes to the consolidated financial statements, non-consolidated statement of changes in shareholders' equity, 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 Auditors prepared the audit report.
 - In the event that a situation arises whereby a revision must be made by the day prior to the Meeting to the reference materials for the Meeting, the business report, the financial statements or the consolidated financial statements, notification shall be provided through publication on the Company's website.

Reference Materials for the Ordinary Shareholders' Meeting

Meeting Agenda and Referential Matters

Agenda No. 1: Election of Nine (9) Directors

The terms of office of nine (9) Directors – Noriyuki Negoro, Wataru Fujishima, Fumitaka Yamazaki, Kazuhiko Murakami, Tetsuo Takami, Kiichi Suzuki, Kenji Nishida, Daizo Nishimura, and Yoshiyuki Nakajima – will expire upon the close of this Ordinary Shareholders' Meeting. Accordingly, the election of nine (9) Directors is proposed.

The candidates for Director are as follows.

Candidate Number	Name	Current Position and Responsibilities at the Company
1	[Reappointment] Noriyuki Negoro	Representative Director, President & Chief Executive Officer
2	[Reappointment] Wataru Fujishima	Representative Director, Executive Vice President, Assistant to President, General Affairs and Nail Business
3	[Reappointment] Fumitaka Yamazaki	Director, Managing Executive Officer, Corporate Planning
4	[Reappointment] Kazuhiko Murakami	Director, Managing Executive Officer, International
5	[Reappointment] Tetsuo Takami	Director, Managing Executive Officer, Sales
6	[Reappointment] Kiichi Suzuki [Outside Director] [Independent Officer]	Director
7	[Reappointment] Kenji Nishida [Outside Director] [Independent Officer]	Director
8	[Reappointment] Daizo Nishimura [Outside Director] [Independent Officer]	Director
9	[Reappointment] Yoshiyuki Nakajima [Outside Director]	Director

Candidate No.

1

Noriyuki Negoro

Date of Birth: March 9, 1956

Number of Company shares held: 74,444 shares

Reappointment

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 products in the research & development department since joining the Company and has gained experience as director in charge of research & development, quality assurance and production, through which he has become familiar with specialties and services in the Company's business. He has demonstrated leadership since assuming the position of President (Representative Director), setting forth and realizing a vision for the Company, which has resulted in both the growth of business and improvements in performance. He has been nominated as a candidate for Director again because the Company has determined that he can make the appropriate decisions and provide supervision for the ongoing growth and improvement in corporate value of the Group.

Candidate No.

2

Wataru Fujishima

Date of Birth: August 26, 1954

Number of Company shares held: 43,377 shares

Reappointment

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, Nail Business Department
June 2012	Managing Director, Finance, Personnel, General Affairs and Corporate Planning	June 2015	Representative Director
June 2013	Managing Director, Finance, Personnel, General Affairs and Nail Business		Senior Managing Executive Officer, Finance, Personnel, General Affairs and Nail Business
June 2014	Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business	April 2016	Representative Director
December 2014	Senior Managing Director (Representative Director), Finance, Personnel, General Affairs and Nail Business		Senior Managing Executive Officer, Finance, Personnel, General Affairs and Nail Business
	General Manager, Finance Department	June 2018	Representative Director, Executive Vice President, Finance, Personnel, General Affairs and Nail Business
	General Manager, Nail Business Department	June 2020	Representative Director, Executive Vice President, Assistant to President, General Affairs and Nail Business (to present)

Reasons for nomination as a candidate for Director

Mr. Wataru Fujishima has experience and knowledge in finance and accounting, and, from his experience as a Director in charge of finance, personnel, general affairs and the nail business since joining the Company as well, has a proven track record, experience and knowledge mainly in general management and administration. Since being appointed as Representative Director, he has contributed to the strengthening of the management base and corporate governance. He has been nominated as a candidate for Director again because the Company has determined that in the future he can make the appropriate decisions and provide supervision for the ongoing growth and improvement in corporate value of the Group.

Candidate No.	Fumitaka Yamazaki			
3	Date of Birth: May 27, 1961		Number of Company shares held: 27,483 shares	
Reappointment	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
	June 2011	Executive Officer		Managing Executive Officer, Corporate Planning (to present)
		General Manager, Corporate Planning Department		
<u>Reasons for nomination as a candidate for Director</u>				
<p>Mr. Fumitaka Yamazaki has been involved in management planning and administration for many years after being a member of the Finance Department since joining the Company, and, from his experience as the general manager of the Corporate Planning Department, which oversees the management of the Group, has a proven track record, experience and knowledge, mainly in general management. Since being appointed as Director in charge of corporate planning, he has contributed to the formulation and promotion of the Group’s management policy and strategy. He has been nominated as a candidate for Director again because the Company has determined that in the future he can make the appropriate decisions and provide supervision for the ongoing growth and improvement in corporate value of the Group.</p>				

Candidate No.	Kazuhiko Murakami			
4	Date of Birth: April 26, 1958		Number of Company shares held: 25,877 shares	
Reappointment	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
		General Manager, International Department	April 2018	Director Managing Executive Officer, International (to present)
<u>Reasons for nomination as a candidate for Director</u>				
Mr. Kazuhiko Murakami has been involved in overseas planning for many years after being a member of the Finance Department since joining the Company, and, from his experience being posted overseas and as the general manager of the Overseas Sales Department, has a proven track record, experience and knowledge, mainly in overseas business. Since being appointed as Director in charge of international affairs, he has contributed to the expansion of the Group’s overseas business. He has been nominated as a candidate for Director again because the Company has determined that in the future he can make the appropriate decisions and provide supervision for the ongoing growth and improvement in corporate value of the Group.				

Candidate No.	Tetsuo Takami			
5	Date of Birth: June 22, 1960		Number of Company shares held: 14,019 shares	
Reappointment	Brief profile, positions, responsibilities and significant concurrent positions			
	March 1983	Joined the Company	April 2019	Executive Officer, General
	June 2012	General Manager, Sales Department		Manager of Sales Department
			June 2019	Managing Executive Officer,
	April 2015	General Manager, Sales Department, Tokyo Branch		General Manager, Sales Department
	June 2015	Executive Officer, General Manager, Sales Department, Tokyo Branch	June 2020	Director, Managing Executive Officer, Sales, General Manager, Sales Department
	April 2018	Executive Officer, General Manager of Sales Department General Manager of Tokyo Branch	April 2021	Director, Managing Executive Officer, Sales (to present)

Reasons for nomination as a candidate for Director

Mr. Tetsuo Takami has been involved in domestic sales for many years since joining the Company, and, from his experience of being manager of a domestic sales base and as General Manager of the Domestic Sales Department, has a proven track record, experience and knowledge, mainly in dental industry sales. Since being appointed as Director in charge of sales, he has contributed to the strengthening of the foundation of domestic business. He has been nominated as a candidate for Director again because the Company has determined that in the future he can contribute to the ongoing growth and improvement in corporate value of the Group.

Candidate No. **Kiichi Suzuki**

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Date of Birth: May 23, 1949

Number of Company shares held: 14,689 shares

Reappointment

Outside Director

Independent Officer

Brief profile, positions, responsibilities and significant concurrent positions

April 1973	Joined Mitsui Toatsu Chemicals, Inc. (Now Mitsui 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 to 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 and summary of expected roles

Mr. Kiichi Suzuki is a candidate for outside Director.

He has previously served as the senior managing director of Mitsui Chemicals, Inc., and has extensive experience and knowledge as a corporate manager. As outside director, he has provided appropriate monitoring of the Company's management, including giving advice based on his experience and knowledge. The Company has determined that in the future he will continue to provide appropriate supervision of the Company's business from an objective perspective as outside Director, and in addition, will contribute to the improvement of corporate value of the Company through advice, etc., based on his experience and knowledge in management, and has nominated him again as a candidate for outside Director.

He has served as an outside Director of the Company for 6 years.

Candidate No.

Kenji Nishida

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Date of Birth: May 5, 1947

Number of Company shares held: 21,852 shares

Reappointment

Outside Director

Independent Officer

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 1977	Registered as a Tax Accountant	January 2016	Opened Karasuma Accounting Partners. (to present)
May 1982	Opened Kenji Nishida Certified Public Accountant Office (to present) Opened Kenji Nishida Tax Office (Now Karasuma Accounting Partners.)		

Reasons for nomination as a candidate for Outside Director and summary of expected roles

Mr. Kenji Nishida is a candidate for outside Director.

He has gained familiarity with finance and accounting as a certified public accountant and tax accountant, and has sufficient knowledge to supervise corporate management. As outside Director, he has provided appropriate supervision of the Company's management, including giving advice based on his experience and knowledge. The Company has determined that in the future he will continue to provide appropriate supervision of the Company's business from an objective perspective as outside Director, and in addition, will contribute to the improvement of corporate value of the Company through advice, etc., based on his experience and knowledge, and has nominated him again as a candidate for outside Director.

He has served as an outside Auditor of the Company for 14 years, and as outside Director of the Company for 6 years.

Candidate No.	Daizo Nishimura			
8	Date of Birth: May 5, 1959		Number of Company shares held: 528 shares	
Reannointment	Brief profile, positions, responsibilities and significant concurrent positions			
Outside Director	October 1987	Joined Audit Firm Asahi Shinwa Accounting Company (Now KPMG AZSA LLC) (retired in October 1990)	January 1998	Member, Ohtemae Audit Corporation
Independent Officer			March 2004	Representative Member, Ohtemae Audit Corporation (to present)
	March 1991	Registered as a Certified Public Accountant		
		Opened Nishimura Certified Public Accountant Office (to present)	June 2012	Auditor, Kyoto Sangyo University (retired in May 2020)
			June 2020	Director of the Company (to present)
	April 1994	Registered as a Tax Accountant		
		Opened Daizo Nishimura Tax Accounting Office (to present)		

Reasons for nomination as a candidate for Outside Director and summary of expected roles

Mr. Daizo Nishimura is a candidate for outside Director.

He has gained familiarity with finance and accounting as a certified public accountant and tax accountant, and has sufficient knowledge to supervise corporate management. As outside Director, he has provided appropriate supervision of the Company's management, including giving advice based on his experience and knowledge. The Company has determined that in the future he will continue to provide appropriate supervision of the Company's business from an objective perspective as outside Director, and in addition, will contribute to the improvement of corporate value of the Company through advice, etc., based on his experience and knowledge, and has nominated him again as a candidate for outside Director.

He has served as an outside Director of the Company for 1 year.

Candidate No.
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Yoshiyuki Nakajima

Date of Birth: November 11, 1961

Number of Company shares held: 0 shares

Reappointment

Outside Director

Brief profile, positions, responsibilities and significant concurrent positions

April 1986	Joined Mitsui Toatsu Chemicals, Inc. (Now Mitsui Chemicals, Inc.) Life Science Laboratory	June 2015	Director, Sun Medical Co., Ltd. (to present)
		April 2018	Director, DENTCA, Inc. (to present)
April 2015	Mitsui Chemicals, Inc., General Manager, H-Project Office (to present)	June 2020	Director of the Company (to present)
	MC Dental Holdings International, LLC		
	Business Executor (to present)		

Reasons for nomination as a candidate for Outside Director and summary of expected roles

Mr. Yoshiyuki Nakajima is a candidate for outside Director.

He has gained deep knowledge in the healthcare field, dentistry in particular, as a business executor of Mitsui Chemicals, Inc., which is the Company's key business alliance partner. As outside Director, he has provided appropriate supervision of the Company's management, including giving advice based on his experience and knowledge. The Company has determined that in the future he will continue to provide appropriate supervision of the Company's business as an outside Director, and in addition, will contribute to the improvement of corporate value of the Company through advice, etc., based on his experience and knowledge, and has nominated him again as a candidate for outside Director.

He has served as an outside Director of the Company for 1 year.

- (Notes) 1. Mr. Yoshiyuki Nakajima has been appointed as a Director of Sun Medical Co., Ltd., which is engaged in the manufacture and sale of dentistry materials similar to the Company. It should be noted that said company is an equity-method affiliate of the Company, and falls under the category of a specified affiliated business operator.
2. There are no special-interest relationships between any of the other candidates and the Company.
3. The Company has executed a liability insurance contract for officers, etc., with an insurance company, and the legal damages and litigation expenses that are to be borne by the insured parties will be covered by said insurance contract. The candidates will be included in the insured parties under said insurance contract. In addition, at the time of the next renewal of said insurance contract, it is planned to renew with the same content.
4. The Company has executed an agreement with Mr. Kiichi Suzuki, Mr. Kenji Nishida, Mr. Daizo Nishimura, and Mr. Yoshiyuki Nakajima that limits their liability for damages, as specified in Article 423, Paragraph 1 of the Companies Act, to the amount prescribed in laws and regulations, and plans to continue said insurance contract.
5. Mr. Kiichi Suzuki, Mr. Kenji Nishida, and Mr. Daizo Nishimura satisfy the requirements for independent officers in accordance with the provisions set forth by the Tokyo Stock Exchange, Inc. The Company has registered Mr. Kiichi Suzuki, Mr. Kenji Nishida, and Mr. Daizo Nishimura 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 Shareholders' Meeting. Accordingly, the election of one new Substitute Auditor is proposed in order to handle a situation whereby the number of auditors falls 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.

Kyoko Kobayashi

Date of Birth: July 22, 1972

Number of Company shares held: 0 shares

New Appointment

Outside Auditor

Independent Officer

Brief profile, positions and significant concurrent positions

April 1999	Registered as an attorney	February 2018	Kawakami Paint Manufacturing Co., Ltd.
	Joined Irokawa Law Office		
September 2009	Seconded to Legal Affairs Office, Sharp Corporation		Outside Auditor (to present)
		June 2020	Mitsubishi Logisnext Co., Ltd.
September 2014	Returned to Irokawa Law Office		Outside Director (to present)
January 2018	Partner, Irokawa Law Office (to present)		

Reasons for nomination as a candidate for Substitute Auditor

Ms. Kyoko Kobayashi has gained familiarity with corporate legal affairs, including the Companies Act, as an attorney, and has sufficient knowledge to supervise corporate management, and the Company has thus determined that she would be able to properly perform duties as an outside auditor, and has nominated her as a candidate for substitute auditor.

(Notes) 1. There are no special-interest relationships between Kyoko Kobayashi and the Company.

2. Ms. Kyoko Kobayashi is recorded on the family registry under the name Kyoko Nakano.

3. Ms. Kyoko Kobayashi is a candidate for substitute outside auditor.

4. Should Ms. Kyoko Kobayashi take office as Outside Auditor, the Company will conclude an agreement with her which limits her liability for damages, as specified in Article 423, Paragraph 1 of the Companies Act, to the amount prescribed in laws and regulations.

5. Ms. Kyoko Kobayashi satisfies the requirements for independent officer in accordance with the provisions set forth by the Tokyo Stock Exchange, Inc. Should Ms. Kobayashi take office as Outside Auditor, the Company plans to register her as the Company's independent officer with the Tokyo Stock Exchange.

6. The Company has executed a liability insurance contract for officers, etc., with an insurance company, and the legal damages and litigation expenses that are to be borne by the insured parties will be covered by said insurance contract. Should Ms. Kobayashi take office as Outside Auditor, she will be included in the insured parties under said insurance contract. In addition, at the time of the next renewal of said insurance contract, it is planned to renew with the same content.

7. Ms. Kyoko Kobayashi will be appointed as an Outside Director of Nippon Pillar Packing Co., Ltd. (Audit Committee Member) on June 24, 2021.

End