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(Stock Exchange Code 7274)
June 7, 2017

To Shareholders with Voting Rights:

Nobuyuki Sugiyama
President and Representative Director
SHOWA CORPORATION
1-14-1, Fujiwara-cho, Gyoda,
Saitama, Japan

**NOTICE OF
THE 109TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 109th Annual General Meeting of Shareholders of SHOWA CORPORATION (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 in writing. If exercising your voting rights in writing, please review the Reference Documents for the General Meeting of Shareholders (described hereinafter), indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:00 p.m. on Thursday, June 22, 2017, Japan time.

- 1. Date and Time:** Friday, June 23, 2017 at 10:00 a.m. Japan time
- 2. Place:** Hall on the second floor of Gyoda Commerce and Industry Center, 2-1-8, Oshi, Gyoda, Saitama, Japan

© When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company's 109th Fiscal Year (April 1, 2016 - March 31, 2017)
 2. Results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

Proposals to be resolved:

- Proposal 1:** Election of 8 Directors (Excluding Directors Serving as Members of Audit and Supervisory Committee)
- Proposal 2:** Election of 4 Directors Serving as Members of Audit and Supervisory Committee

- ◎ In accordance with the provisions of laws and regulations as well as the Articles of Incorporation of the Company, the following documents of the Appendix are posted on the Company's website (<http://www.showa1.com>) (In Japanese) (IR Information>General Meeting of Shareholders).
- 1) Notes to the Consolidated Financial Statements
 - 2) Notes to the Non-consolidated Financial Statements
- The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor include those described in the Appendix attached to this Notice, as well as the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements posted on the Company's website.
- ◎ Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.
- Please note that we will be holding the Meeting in light clothing ("Cool Biz").

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 8 Directors (Excluding Directors Serving as Members of Audit and Supervisory Committee)

The terms of office of all 8 Directors (excluding Directors serving as members of Audit and Supervisory Committee; hereinafter the same applies in the Proposal) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 8 Directors is proposed. This Proposal was deliberated by the Audit and Supervisory Committee and there were no particular matters of note.

The candidates for Directors are as follows:

* indicates a new candidate for Director.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests with the Company
1	Nobuyuki Sugiyama (Oct. 1, 1958)	Sep. 1990 Joined the Company May. 2004 Executive Vice President and Director of American Showa, Inc. Apr. 2007 Executive Vice President and Director of Showa Canada Inc. Jun. 2010 Director of the Company Jun. 2010 Plant Manager, Gotemba Plant, Production Operations Jun. 2011 Director, Powersteering Business Operations Apr. 2012 Chief Operating Officer, Steering Systems Operations Jun. 2012 Director and Operating Officer of the Company Dec. 2012 Chairman of Guangzhou Showa Autoparts Co., Ltd. Jun. 2013 Director and Managing Officer of the Company Apr. 2015 Assistant to President of the Company (President Designate) Jun. 2015 President and Representative Director of the Company (current position) Jun. 2015 Chairperson of the Nominating Committee (current position) Jun. 2015 Chairperson of the Compensation Committee (to present)	35,400	None
2	*Hiroshi Ichimura (Dec. 5, 1958)	Apr. 1981 Joined Honda Motor Co., Ltd. Oct. 2002 Chief Engineer of Honda R&D Co., Ltd. Jan. 2011 Senior Chief Engineer of Honda R&D Co., Ltd. Apr. 2014 President and Director of Honda R&D Europe (U.K.) Ltd. Apr. 2015 Joined the Company Assistant to President (Director Designate); Deputy Chief Operating Officer, Research and Development Operations Jun. 2015 Operating Officer of the Company Jun. 2016 Managing Officer of the Company (current position) Apr. 2017 Chief Operating Officer, Research and Development Operations (to present)	8,300	None

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests with the Company
3	Takeshi Nagao (Nov. 25, 1961)	<p>Apr. 1984 Joined the Company</p> <p>Aug. 2003 General Manager, Production Engineering Division, Production Engineering Operations</p> <p>May. 2005 Plant Manager, Hadano Plant, Production Operations</p> <p>Apr. 2007 Executive Vice President and Director of American Showa, Inc.</p> <p>Jun. 2008 Director of the Company</p> <p>Apr. 2010 President and Director of American Showa Inc.</p> <p>Jun. 2011 Managing Director of the Company</p> <p>Apr. 2012 Deputy Chief Operating Officer, Automotive Components Operations; General Manager, Business Planning Office</p> <p>Jun. 2012 Managing Officer of the Company</p> <p>Dec. 2012 Deputy Chief Operating Officer, Automotive Components Operations; General Manager, Business Planning Office; Plant Manager, Saitama Plant</p> <p>Apr. 2013 Chief Operating Officer, Automotive Components Operations</p> <p>Jun. 2013 Director and Managing Officer of the Company (current position)</p> <p>Apr. 2015 In charge for Machinery & Die Operations</p> <p>Apr. 2015 Risk Management Officer</p> <p>Apr. 2015 Chairman of Guangzhou Showa Autoparts Co., Ltd.</p> <p>Jun. 2015 Chairperson of Crisis Response Committee</p> <p>Apr. 2017 Chief Operating Officer, Drivetrain Products Operations (to present)</p>	27,700	None
4	Narutoshi Wakiyama (Feb. 1, 1962)	<p>Apr. 1984 Joined Honda Motor Co., Ltd.</p> <p>Apr. 2009 General Manager, Regional Operation Planning Office for Regional Operations (North America) of Honda Motor Co., Ltd.</p> <p>Apr. 2009 Vice President of American Honda Motor Co., Inc.</p> <p>Apr. 2013 President and Director of American Honda Finance Corporation</p> <p>Apr. 2015 Joined the Company</p> <p>Assistant to President (Director Designate); Chief Operating Officer, Corporate Administration Operations</p> <p>Apr. 2015 Compliance Officer (current position)</p> <p>Jun. 2015 Director and Operating Officer of the Company (current position)</p> <p>Jun. 2015 Chief Operating Officer, Corporate Administration Operations (to present)</p>	7,700	None
5	Tetsuya Matsumura (Nov. 29, 1966)	<p>Apr. 1985 Joined the Company</p> <p>Jan. 2009 Deputy Plant Manager, Gotemba Plant, Production Operations</p> <p>Apr. 2010 Executive Vice President and Director of Showa Canada Inc.</p> <p>Apr. 2012 Executive Vice President and Director of American Showa, Inc.</p> <p>Apr. 2014 Deputy Chief Operating Officer, Corporate Administration Operations</p> <p>Jun. 2014 Director and Operating Officer of the Company (current position)</p> <p>Jun. 2014 Chief Operating Officer, Corporate Administration Operations</p> <p>Apr. 2015 Chief Operating Officer, Steering Systems Operations</p> <p>Apr. 2017 Chief Operating Officer, Automotive Components Operations (current position)</p> <p>Apr. 2017 In charge for Machinery & Die Operations (current position)</p> <p>Apr. 2017 Chairperson of Crisis Response Committee (current position)</p> <p>Apr. 2017 Chairman of Guangzhou Showa Autoparts Co., Ltd. (to present)</p>	10,900	See (Note)
6	*Kazuhiro Nishioka (Apr. 8, 1964)	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2010 Deputy Plant Manager, Saitama Plant, Production Operations</p> <p>Jan. 2011 Plant Manager, Saitama Plant, Production Operations</p> <p>Dec. 2012 Director and President of PT. Showa Indonesia Manufacturing</p> <p>Apr. 2015 Deputy Chief Operating Officer, Motorcycle and Hydraulic Components Operations</p> <p>Jun. 2015 Operating Officer of the Company (current position)</p> <p>Apr. 2017 Chief Operating Officer, Motorcycle and Hydraulic Components Operations (to present)</p>	7,700	None

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests with the Company
7	Yuji Kumagai (Feb. 19, 1963)	Apr. 1985 Joined the Company Apr. 2007 General Manager, Quality Coordination Division, Quality Assurance Operations Apr. 2012 Plant Manager, Gotemba Plant, Steering Systems Operations Oct. 2013 President and Director of Showa Autoparts Mexico, S.A. de C.V. Apr. 2016 Deputy Chief Operating Officer, Quality Assurance Operations Jun. 2016 Director and Operating Officer of the Company (current position) Jun. 2016 Chief Operating Officer, Quality Assurance Operations (to present)	3,500	None
8	*Takahiro Furuhashi (Dec. 26, 1962)	Apr. 1985 Joined Honda Motor Co., Ltd. Jun. 2007 Chief Engineer of Honda R&D Co., Ltd. Apr. 2012 Joined the Company General Manager, Steering Development Division, Research and Development Operations Apr. 2016 Deputy Chief Operating Officer, Steering Systems Operations Jun. 2016 Operating Officer of the Company (current position) Apr. 2017 Chief Operating Officer, Steering Systems Operations (to present)	3,500	None

(Note) The Company has sales and purchase transactions of parts, etc. with Guangzhou Showa Autoparts Co., Ltd. at which Mr. Tetsuya Matsumura serves as Chairman.

Proposal 2: Election of 4 Directors Serving as Members of Audit and Supervisory Committee

The terms of office of all 3 Directors serving as members of Audit and Supervisory Committee will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 4 Directors serving as members of Audit and Supervisory Committee is proposed. The Audit and Supervisory Committee has previously given its consent to this Proposal.

The candidates for Directors serving as members of Audit and Supervisory Committee are as follows:

* indicates a new candidate for Director.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests with the Company
1	Yosuke Mano (Dec. 2, 1960)	Apr. 1983 Joined the Company Apr. 2007 President of Guangzhou Showa Autoparts Co., Ltd. Feb. 2008 General Manager, Accounting Division, Corporate Administration Operations of the Company Jun. 2015 Director of the Company (Member of Audit and Supervisory Committee) (to present)	8,200	None
2	Tsuneo Mizusawa (Apr. 30, 1949)	Apr. 1985 Registered with Tokyo Bar Association Joined Fuji Law, Patent and Accounting Office Oct. 2006 Established Hamada Mizusawa Law Office Jun. 2011 Outside Audit & Supervisory Board Member of the Company Jun. 2015 Established Oozora Law Office (current position) Jun. 2015 Outside Director (Member of Audit and Supervisory Committee) of the Company (to present)	3,900	None
3	Hikoyuki Miwa (Jul. 28, 1946)	Nov. 1975 Registered as certified public accountant Aug. 1996 Representative partner of Asahi & Co. (current KPMG AZSA LLC) Jun. 2003 Executive Director of Asahi & Co. Jun. 2006 Deputy Managing Partner of AZSA & Co. (current KPMG AZSA LLC) Jul. 2009 Established Miwa Certified Public Accountant Office (current position) Jun. 2012 Outside Audit & Supervisory Board Member of the Company Jun. 2015 Outside Director (Member of Audit and Supervisory Committee) of the Company (to present)	-	None
4	*Shinya Takada (Jan. 8, 1952)	Apr. 1975 Joined Isetan Co., Ltd. Feb. 1995 General Manager, Sales Policy Department, Sales Division Jun. 2002 Executive Officer; Manager, General Planning Section, Management Planning Department Jun. 2005 Managing Executive Officer; General Manager, Management Planning Department; in charge of Accounting Department Jun. 2007 Director; Senior Managing Executive Officer; General Manager, Management Planning Department; in charge of Accounting Department Apr. 2008 Director; Senior Managing Executive Officer; General Manager, Corporate Strategy Headquarters of Isetan Mitsukoshi Holdings Ltd. Jan. 2010 Representative Director; Senior Managing Executive Officer; General Manager, Corporate Strategy Headquarters Jun. 2012 Full-time Corporate Auditor of Isetan Mitsukoshi Holdings Ltd. Jun. 2016 Retired from Full-time Corporate Auditor of Isetan Mitsukoshi Holdings Ltd. (to present)	-	None

(Notes)

- Mr. Tsuneo Mizusawa, Mr. Hikoyuki Miwa, and Mr. Shinya Takada are candidates for Outside Director. The Company designated Mr. Tsuneo Mizusawa and Mr. Hikoyuki Miwa as Independent Director provided for by Tokyo Stock Exchange, Inc. and notified the Exchange to that effect. If the election of Mr. Tsuneo Mizusawa and Mr. Hikoyuki Miwa is approved, they will remain designated as Independent Directors. Mr. Shinya Takada qualifies as Independent Director provided for by Tokyo Stock Exchange, Inc. If the election of Mr. Shinya Takada is approved, the Company plans to designate him as Independent Director.
- Mr. Tsuneo Mizusawa is nominated based on the judgment that he will appropriately fulfill his duties as an Outside

Director of the Company by drawing on his broad insight and abundant experience as an attorney. He will have served as Outside Director serving as a member of Audit and Supervisory Committee of the Company for two years at the conclusion of this year's Annual General Meeting of Shareholders.

Mr. Hikoyuki Miwa is nominated based on the judgment that he will appropriately fulfill his duties as an Outside Director of the Company by drawing on his professional knowledge as a certified public accountant and abundant experience as a supervisor of a corporation and a corporate auditor. He will have served as Outside Director serving as a member of Audit and Supervisory Committee of the Company for two years at the conclusion of this year's Annual General Meeting of Shareholders.

Mr. Shinya Takada is nominated based on the judgment that he will appropriately fulfill his duties as an Outside Director of the Company by drawing on his abundant experience and extensive insight into corporate management since he served as Representative Director and Full-time Corporate Auditor of Isetan Mitsukoshi Holdings Ltd.

3. In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company plans to enter into liability limitation agreements with each of Mr. Tsuneo Mizusawa, Mr. Hikoyuki Miwa, and Mr. Shinya Takada if they assume their respective offices of Outside Director. The amount of liability of Outside Directors under the agreements will be limited to the minimum liability amount as prescribed by the Paragraph 1, Article 425 of the Companies Act.