

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 8227)

April 27, 2022

To our shareholders:

Makoto Suzuki
President and Representative Director
Shimamura Co., Ltd.
1-602-1 Kitabukuro-cho, Omiya-ku,
Saitama-city, Saitama

Notice of the 69th Annual General Meeting of Shareholders

We are pleased to announce the 69th Annual General Meeting of Shareholders of Shimamura Co., Ltd. (the “Company”), which will be held as indicated below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), we recommend that you refrain from attending the General Meeting of Shareholders in person and instead exercise your voting rights in advance in writing or by electronic means (such as via the internet).

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than **Thursday, May 12, 2022, at 6:00 p.m. (JST)**.

- 1. Date and Time:** Friday, May 13, 2022, at 10:00 a.m. (JST)
- 2. Venue:** “ROSE ROOM,” 4F, PALACE HOTEL OMIYA, SONIC CITY
1-7-5, Sakuragi-cho, Omiya-ku, Saitama-city, Saitama

3. Purpose of the Meeting:

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 69th fiscal year (from February 21, 2021 to February 20, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 69th fiscal year (from February 21, 2021 to February 20, 2022)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Two Directors

In order to prevent the spread of COVID-19, we may ask you to wear a mask or use an alcohol disinfectant in case you attend the meeting in person. For shareholders who plan on attending, please take the condition of your health up to the day of the meeting into consideration and carefully consider whether or not to travel to the venue.

When you attend the Meeting, you are kindly requested to present the enclosed voting form at the reception. If any changes are made to the Reference Documents for the General Meeting of Shareholders or to the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements or there are any significant changes regarding the holding of this Meeting, such changes will be posted on the Company’s website (<https://www.shimamura.gr.jp/>).

A video footage of the reporting at the meeting such as those mentioned above in “Matters to be reported” will be available for viewing from the following website: (<https://www.shimamura.gr.jp/ir/stock/>).

Reference Documents for the General Meeting of Shareholders

Proposals for the 69th Annual General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

1. Year-end dividends

The Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 69th 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 a dividend of ¥130 per common share of the Company.

In this event, the total dividends will be ¥4,777,482,840.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 16, 2022.

2. Other appropriation of surplus

As for internal reserves, the Company proposes the following to strengthen the management foundation in preparation for the aggressive development of operations in the future.

(1) Item of surplus to be decreased and amount of decrease:

Retained earnings brought forward: ¥26,000,000,000

(2) Item of surplus to be increased and amount of increase:

General reserve: ¥26,000,000,000

Proposal No. 2: Partial Amendments to the Articles of Incorporation

The Company proposes to amend the Articles of Incorporation of the Company as follows.

1. Reason for proposal

- (1) In order to clarify the Company’s business activities and respond to the diversification of business activities going forward in light of the current state of the Company’s businesses, the Company proposes to add business purposes to Article 2 of the current Articles of Incorporation.
- (2) To provide flexibility to the operation of the general meeting of shareholders and the Board of Directors meetings, the Company proposes changing the convener and chairman of the general meeting of shareholders and the Board of Directors meetings, which is specified in Articles 15 and 18 of the current Articles of Incorporation, to a Director for each role determined in advance by the Board of Directors.
- (3) The Company proposes the establishment of Article 16 (Measures for Providing Information in Electronic Format, Etc.), paragraph 1 of the proposed amendments as the establishment of provisions for measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format is required. To provide for being able to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents to the scope designated by the Ministry of Justice Order among items for which measures are taken for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, Article 16 (Measures for Providing Information in Electronic Format, Etc.), paragraph 2 shall be established. Supplementary provisions will be established to stipulate when the aforementioned newly established provision will take effect. These supplementary provisions shall be deleted after the specified date elapses.
- (4) To prepare for the strengthening of the management system in the future, the Company proposes to add Director and Senior Advisor under Directors with specific titles in Article 22, paragraph 3 of the current Articles of Incorporation, to Article 23, paragraph 2 of the proposed amendments.
- (5) For the purpose of clarifying the management responsibilities of Directors and establishing a management structure that can respond promptly to changes in the business environment, the Company proposes to shorten the term of office for Director, from not more than two (2) years as provided for in Article 27, paragraph 1 of the current Articles of Incorporation, to not more than one (1) year to be provided for in Article 28, paragraph 1 of the proposed amendments. While making the required changes in Article 27 “Term of Office” of the current Articles of Incorporation, the Company will also establish supplementary provisions to clarify that the current provisions will be applied to the terms of office of Directors elected at the 68th Annual General Meeting of Shareholders held on May 14, 2021. These supplementary provisions will be deleted after the specified date elapses.
- (6) The Company proposes to delete the provision for the position of Executive Officer, and make necessary changes in Article 32 of the proposed amendments.

2. Details of the amendments

The details of the amendments are as follows.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 2 Purpose</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) <u>Management of department stores and chain stores</u></p> <p>(2) – (5) (Omitted)</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>Article 2 Purpose</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) <u>Management of department stores, chain stores and e-commerce business</u></p> <p>(2) – (5) (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>Chapter III General Meeting of Shareholders</p> <p>Article 15 Chairman of the General Meeting of Shareholders</p> <p>(1) The chairman of the general meeting of shareholders shall be <u>the President and Director.</u></p> <p>(2) <u>In the event that the President and Director is unable to act, another Director shall, in the order determined in advance by the Board of Directors, act as chairman.</u></p>	<p>Chapter III General Meeting of Shareholders</p> <p>Article 15 Chairman of the General Meeting of Shareholders</p> <p>The chairman of the general meeting of shareholders shall be <u>a Director according to the order determined in advance by the Board of Directors.</u></p> <p>[Deleted (2)]</p>
<p>[Newly established]</p> <p>[Newly established]</p> <p>Article 16 / Article 17 (Omitted)</p>	<p><u>Article 16 Measures for Providing Information in Electronic Format, Etc.</u></p> <p>(1) <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p>(2) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>(Supplementary provisions)</p> <p>(1) <u>The establishment of Article 16 “Measures for Providing Information in Electronic Format, Etc.” shall take effect from September 1, 2022.</u></p> <p>(2) <u>These supplementary provisions shall be deleted on the date when six months have elapsed from September 1, 2022.</u></p> <p>Article 17 / Article 18 (Unchanged)</p>
<p>Chapter IV Board of Directors and Audit & Supervisory Board</p> <p>Article 18 Convener and Chairman of the Board of Directors Meetings</p> <p>(1) <u>The President and Director shall convene meetings of the Board of Directors and chair the meetings.</u></p> <p>(2) <u>In the event that the President and Director is unable to act, another Director shall, in the order determined in advance by the Board of Directors, act as convener and chairman.</u></p> <p>Article 19 – Article 21 (Omitted)</p>	<p>Chapter IV Board of Directors and Audit & Supervisory Board</p> <p>Article 19 Convener and Chairman of the Board of Directors Meetings</p> <p><u>A Director according to the order determined in advance by the Board of Directors, shall convene meetings of the Board of Directors and chair the meetings</u></p> <p>[Deleted (2)]</p> <p>Article 20 – Article 22 (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>22</u> Representative Directors and Directors</p> <p>(1) Representative Directors shall be appointed by resolution of the Board of Directors.</p> <p>(2) <u>The Board of Directors shall appoint, by its resolution, one President and Director from among Directors.</u></p> <p>(3) The Board of Directors shall, by resolution, select one Chairman and Director from the Directors.</p> <p>Article 23 (Omitted)</p>	<p>Article <u>23</u> Representative Directors and Directors</p> <p>(1) Representative Directors shall be appointed by resolution of the Board of Directors.</p> <p>[Deleted (2)]</p> <p>(2) The Board of Directors shall, by resolution, select one Chairman and Director <u>and one Senior Advisor and Director</u> from the Directors.</p> <p>Article 24 (Unchanged)</p>
<p>Article 24 – Article 26 (Omitted)</p> <p>Article <u>27</u> Term of Office</p> <p>(1) The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within <u>two years</u> after the election of the Director.</p> <p>(2) The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</p> <p>(3) <u>The term of office of a Director who is elected due to an increase in the number of Directors or as the substitute for a Director who retired from office before the expiration of the term of office shall continue until the expiration of the term of office of the other currently serving Directors.</u></p> <p>(4) The term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the expiration of the term of office of the retired Audit & Supervisory Board Member.</p> <p>[Newly established]</p> <p>Article 28 / Article 29 (Omitted)</p>	<p>Article 25 – Article 27 (Unchanged)</p> <p>Article <u>28</u> Term of Office</p> <p>(1) The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within <u>one year</u> after the election of the Director.</p> <p>(2) The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</p> <p>[Deleted (3)]</p> <p>(3) The term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the expiration of the term of office of the retired Audit & Supervisory Board Member.</p> <p><u>(Supplementary provisions)</u></p> <p>(1) <u>Regardless of the provisions in Article 28 of the Articles of Incorporation, the terms of office of Directors elected at the 68th Annual General Meeting of Shareholders held on May 14, 2021 shall expire at the conclusion of the General Meeting of Shareholders held in 2023.</u></p> <p>(2) <u>These supplementary provisions shall be deleted after the date stated in the preceding paragraph has elapsed.</u></p> <p>Article 29 / Article 30 (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p data-bbox="347 241 695 271">Chapter VI Executive Officers</p> <p data-bbox="236 286 469 315">Article 30 (Omitted)</p> <p data-bbox="236 331 451 360">Article <u>31</u> Election</p> <p data-bbox="236 376 810 501">The Board of Directors <u>shall have the President and Representative Director as an Executive Officer, and</u> may elect Executive Officers to execute business as determined by the Board of Directors.</p> <p data-bbox="236 517 608 546">Article 32 – Article 37 (Omitted)</p>	<p data-bbox="938 241 1286 271">Chapter VI Executive Officers</p> <p data-bbox="826 286 1091 315">Article 31 (Unchanged)</p> <p data-bbox="826 331 1042 360">Article <u>32</u> Election</p> <p data-bbox="826 376 1402 465">The Board of Directors may elect Executive Officers to execute business as determined by the Board of Directors.</p> <p data-bbox="826 517 1235 546">Article 33 – Article 38 (Unchanged)</p>

Proposal No. 3: Election of Two Directors

The Company proposes the election of one Director and one outside Director to increase the number of Directors by two in order to further strengthen the management system. The candidates for Director and outside Director are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Takashi Nakahira (December 1, 1970) <u>New appointment</u>	<p>Mar. 1994 Joined the Company</p> <p>Feb. 2014 General Manager of Shimamura Merchandise Department 2</p> <p>Aug. 2017 General Manager of Store Development Department 1</p> <p>Aug. 2018 General Manager of Shimamura Merchandise Department 1</p> <p>Feb. 2021 Executive Officer (current position) In charge of Avail Business (current position)</p>	550 Shares
2	Teiichi Murokubo (December 2, 1954) <u>New appointment</u> <u>Outside Director</u>	<p>Apr. 1978 Joined The Saitama Bank, Ltd. (currently Saitama Resona Bank, Limited)</p> <p>July 2001 General Manager of Saitama Banking Department of The Asahi Bank, Ltd. (currently Saitama Resona Bank, Limited)</p> <p>Oct. 2003 General Manager of Public Institutions Division of Saitama Resona Bank, Limited</p> <p>Oct. 2004 General Manager of Kumagaya Branch</p> <p>June 2007 Retired from Saitama Resona Bank, Limited Executive Director of Saitama Association of Corporate Executives</p> <p>June 2021 Senior Adviser (part-time) (current position)</p> <p>July 2021 Advisor of Daiei Real Estate & Development Co., Ltd. (current position)</p>	—

- Notes:
1. There is no special interest between any candidates and the Company.
 2. Teiichi Murokubo is a candidate for outside Director.
 3. Candidate for outside Director Teiichi Murokubo satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and if his election is approved, the Company plans to designate him as an independent officer.
 4. Reasons for nomination and overview of expected roles as candidate for outside Director
Teiichi Murokubo served in positions such as Executive Director of Saitama Association of Corporate Executives and has deep insight regarding corporate management in addition to deep knowledge related to finance and accounting based on his many years of experience at financial institutions. The Company proposes his election as it has judged that he can be utilized to strengthen the management of the Company and improve corporate governance by providing advice and proposals based on his experience from an independent and outside viewpoint. Furthermore, if Mr. Murokubo is elected, the Company expects him to participate, as member of the Nomination & Remuneration Committee and the Management Plan Formulation Committee, in deciding proposals such as those regarding candidates for officer and officer remuneration, and in formulating the medium- to long-term management plan and annual management plan, from an objective and neutral standpoint.
 5. If this proposal is approved, and Teiichi Murokubo takes office, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Company's Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The limit of the liability for damages under the relevant agreement is the minimum liability amount set forth in Article 425, paragraph 1 of the said act.

(Reference)

Nomination Criteria of Officers

<Nomination criteria for candidates for Directors>

Candidates for Directors of the Company are those who satisfy the following criteria and who are deemed to have the knowledge, skills, and experience that can contribute to the realization of the management philosophy as members of the Board of Directors. The Board of Directors shall appoint a nominee by its resolution, after deliberation by the Nomination & Remuneration Committee.

Candidates for outside Directors are those who satisfy the requirements for outside Directors stipulated in the Companies Act. The Company shall appoint at least two persons from among those who satisfy the criteria in 5. below in lieu of 4. below.

1. The candidate must have strong determination and the high level of ability necessary to perform the duties of a Director.
2. The candidate must have the character and insight appropriate of a Director of the Company.
3. The candidate must be able to secure the time and effort necessary to appropriately fulfill the roles and responsibilities required of the Company's Directors.
4. The candidate must have the knowledge, ability, and broad experience to contribute to the formulation and execution of the Company's management strategy based on a deep understanding of the Group's business and business environment.
5. The candidate must have advanced professional knowledge or abundant experience in corporate management, academics, finance and accounting, legal affairs, or other fields, and can be expected to perform duties from an independent and objective perspective.

<Independence criteria for outside Directors and outside Audit & Supervisory Board Members>

The Company determines that a person who does not fall under any of the following items is deemed to have independence.

1. A person who currently serves as an executive of the Company or a subsidiary thereof or has served in the past ten years (executive as defined in Article 2, paragraph 3, item vi of the Regulation for Enforcement of the Companies Act; hereinafter the same in these criteria).
2. A person to whom the Company is a major business partner or an executive for such party. (Note)
3. A person who is a major business partner of the Company or an executive for such party. (Note)
4. Consultant, accounting professional or legal professional who receives cash at an amount of ¥10 million or more or any other assets in the most recent fiscal year, other than officer remuneration, from the Company (if the party who receives such cash or assets is a corporation or organization, a person who belongs to an organization that receives more than 2% of the net sales or gross income of the said organization from the Company)
5. A person who has fallen under items 2. to 4. above within the past three years.
6. A person who substantively holds 10% or more of the voting rights of the Company or an executive for such party.
7. A spouse or a relative within the second degree of kinship of a person who falls under 1. to 6. above.

Note: "Major business partner" refers to a person whose transaction amount in the most recent fiscal year accounts for 2% or more of the Company or such business partner's annual net sales.