

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 26, 2023

To our shareholders:

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

Notice of the 70th Annual General Meeting of Shareholders

We are pleased to announce the 70th Annual General Meeting of Shareholders of Shimamura Co., Ltd. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following Company’s website. Please access the website by using the internet address shown below to review the information.

The Company’s IR website

<https://www.shimamura.gr.jp/ir/stock/> (in Japanese)

Website for informational materials for the general meeting of shareholders

<https://d.sokai.jp/8227/teiji/> (in Japanese)

In addition to posting matters for which measures for providing information in electronic format are to be taken on the Company’s website, we also post this information on the website of Tokyo Stock Exchange, Inc. (TSE) shown below.

Tokyo Stock Exchange, Inc.’s website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Shimamura Co., Ltd.” in “Issue name (company name)” or the Company’s securities code “8227” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Meeting in person, you can exercise your voting rights via the Internet or in writing (mail), etc. Please review the Reference Documents for the General Meeting of Shareholders, and follow the Instructions given below to exercise your voting rights no later than Thursday, May 11, 2023, at 6:00 p.m. (JST).

- 1. Date and Time:** Friday, May 12, 2023, 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 70th fiscal year (from February 21, 2022, to February 20, 2023), 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 70th fiscal year (from February 21, 2022, to February 20, 2023)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Nine Directors

4. Matters Decided in Connection with the Convocation (Guidance Notes on Exercise of Voting Rights)

- (1) If you indicate neither your approval nor disapproval of each proposal on the returned voting form, your answer will be deemed to be an approval.
- (2) If you exercise your voting rights via the Internet, etc. multiple times, only your last vote will be treated as valid.
- (3) If you exercise your voting rights via the Internet, etc. and also by writing (mail), regardless of the arrival date and time, your vote placed via the Internet, etc. will be treated as valid.

The electronic provision system of materials for the general meeting of shareholders has started, however, as the system has just been changed, we have provided paper-based materials for this year's general meeting of shareholders as before.

For shareholders who requested the delivery of paper-based documents, we send documents including matters for which measures for providing information in electronic format are to be taken, however, please note that the following matters are excluded based on the provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation.

- Tables of explanatory notes on Consolidated Financial Statements
- Tables of explanatory notes on Unconsolidated Financial Statements

Therefore, the business report, the consolidated financial statements and the non-consolidated financial statements described in this document are part of the documents audited by the financial auditor for the purpose of preparing their audit report and by the members of the Audit & Supervisory Board for the purpose of preparing their audit report.

When you attend the Meeting, you are kindly requested to present the enclosed voting form at the reception.

If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters for which measures for providing information in electronic format are to be taken before and after the revisions will be posted on the Company's aforementioned websites and the TSE website. If any significant changes are made to the operation of the general meeting of shareholders, such changes will be posted on the Company's website (<https://www.shimamura.gr.jp/>) (in Japanese).

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/>) (in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposals for the 70th 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 70th 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 ¥140 per common share of the Company.

In this event, the total dividends will be ¥5,145,057,960.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 15, 2023.

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: ¥28,000,000,000

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

General reserve: ¥28,000,000,000

Proposal No. 2: Election of Nine Directors

The terms of office of all eight Directors will expire at the conclusion of this Meeting. The Company proposes the election of nine Directors to increase the number of Directors by one in order to further strengthen the management system. The candidates for Directors are as follows:

Candidate No.	Name	Attribute of candidate	Current position in the Company	Years in office as Director	Number of Board of Directors meetings attended (FY2022)
1	Makoto Suzuki	Reappointment	Representative Director	Four years	17/17
2	Iichiro Takahashi	Reappointment	Director	Four years	17/17
3	Takashi Nakahira	Reappointment	Director	One year	13/13
4	Yoshiteru Tsujiguchi	New appointment	–	–	–
5	Hajime Ueda	New appointment	–	–	–
6	Hidejiro Fujiwara	Reappointment	Director and Senior Advisor	Three years	16/17
7	Tamae Matsui	Reappointment Outside Director Independent Officer	Outside Director	Eight years	17/17
8	Yutaka Suzuki	Reappointment Outside Director Independent Officer	Outside Director	Five years	16/17
9	Teiichi Murokubo	Reappointment Outside Director Independent Officer	Outside Director	One year	13/13

Note: As Directors Takashi Nakahira and Teiichi Murokubo assumed their offices as of May 13, 2022, the number of Board of Directors meetings they were eligible to attend is different from that of other Directors.

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
1	Makoto Suzuki (June 22, 1965) <u>Reappointment</u>	<p>Mar. 1989 Joined the Company</p> <p>Nov. 2004 General Manager of Logistics Department</p> <p>May 2011 Director Supervising Import Department, Logistics Department, Merchandise Management Department, and Store Management Department</p> <p>Feb. 2014 Supervising Logistics Department, Systems Development Department, and Import Department</p> <p>Mar. 2015 Supervising Logistics Department and Systems Development Department</p> <p>May 2015 Executive Officer</p> <p>Feb. 2018 Executive Officer and General Manager of the Planning Office</p> <p>May 2019 Director and Executive Officer</p> <p>Feb. 2020 President and Representative Director, Executive Officer of the Company (current position)</p> <p>May 2020 Director of Shimamura (Taiwan) (current position)</p>	2,300 Shares
<p>■Significant concurrent positions outside the Company Director of Shimamura (Taiwan)</p>			
<p>■Reasons for nomination as Director Since assuming the position of Representative Director of the Company in February 2020, Makoto Suzuki has demonstrated leadership at the center of the management by utilizing his many years of experience and knowledge, and as a chairman of the Board of Directors, he has appropriately made decisions on important business execution and supervised the execution of directors' duties. We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.</p>			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
2	Ichiro Takahashi (August 25, 1974) Reappointment	<p>Mar. 1999 Joined the Company</p> <p>Mar. 2013 General Manager of Shimamura Store Operation Department 8</p> <p>Feb. 2014 General Manager of Shimamura Merchandise Department 3</p> <p>Feb. 2018 General Manager of Shimamura Sales Planning Department</p> <p>Feb. 2019 Executive Officer Supervising Logistics Department, Import Department, and Systems Development Department</p> <p>May 2019 Director and Executive Officer</p> <p>Feb. 2020 Supervising Shimamura Merchandise Department, Sales Planning Department, Advertising Department, and Market Research Department (current position)</p> <p>Feb. 2021 Director of Shimamura (Taiwan) (current position)</p> <p>Feb. 2022 Director and Senior Executive Officer (current position)</p>	450 Shares
<p>■Significant concurrent positions outside the Company Director of Shimamura (Taiwan)</p>			
<p>■Reasons for nomination as Director Since assuming the position of Director in May 2019, Ichiro Takahashi has been responsible for the management of the Company by utilizing his many years of experience and knowledge and being in charge of the Shimamura Merchandise Department, Sales Planning Department, Advertising Department, and Market Research Department. We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.</p>			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
3	Takashi Nakahira (December 1, 1970) <u>Reappointment</u>	Mar. 1994 Joined the Company	700 Shares
		Feb. 2014 General Manager of Shimamura Merchandise Department 2	
		Aug. 2017 General Manager of Store Development Department 1	
Aug. 2018 General Manager of Shimamura Merchandise Department 1			
Feb. 2021 Executive Officer In charge of Avail Business			
May 2022 Director and Executive Officer In charge of Avail Business (current position)			
■Significant concurrent positions outside the Company -			
■Reasons for nomination as Director Since assuming the position of Director in May 2022, Takashi Nakahira has been responsible for the management of the Company by utilizing his many years of experience and knowledge and being in charge of Avail Business. We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
4	Yoshiteru Tsujiguchi (July 17, 1970) <u>New appointment</u>	Mar. 1994 Joined the Company	740 Shares
		Mar. 2009 General Manager of Birthday Merchandise Department 1	
		Feb. 2016 General Manager of Chambre Administration Department	
Aug. 2016 General Manager of Chambre Merchandise Department			
Feb. 2021 Executive Officer In charge of Chambre Business (current position)			
■Significant concurrent positions outside the Company -			
■Reasons for nomination as Director In February 2021, he became an executive officer and has been in charge of the Chambre business, making use of his many years of experience and knowledge. We have determined that he is qualified for the achievement of the Company's improvement of sustainable corporate value and nominated him as a Director candidate.			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
5	Hajime Ueda (October 19, 1971) <u>New appointment</u>	Mar. 1995 Joined the Company	840 Shares
		Sept. 2011 General Manager of Birthday Merchandise Department 2	
		Feb. 2017 General Manager of Shimamura Store Operation Department 7	
Aug. 2018 General Manager of Shimamura Merchandise Department 6			
Feb. 2021 Executive Officer In charge of Birthday Business (current position)			
■Significant concurrent positions outside the Company -			
■Reasons for nomination as Director In February 2021, he became an executive officer and has been in charge of the Birthday business making use of his many years of experience and knowledge. We have determined that he is qualified for the achievement of the Company's improvement of sustainable corporate value and nominated him as a Director candidate.			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
6	Hidejiro Fujiwara (October 18, 1940) <u>Reappointment</u>	Sept. 1970 Joined the Company Office Manager	681,100 Shares
		Apr. 1975 Director	
		May 1981 Senior Managing Director	
		May 1989 Senior Managing Director and Representative Director	
		May 1990 President and Representative Director	
		May 2005 Chairman and Representative Director	
		May 2009 Director and Senior Advisor	
		May 2011 Senior Advisor	
		May 2020 Director and Senior Advisor (current position)	
		■Significant concurrent positions outside the Company -	
■Reasons for nomination as Director For 36 years since 1975, Hidejiro Fujiwara was responsible for the management of the Company as a Director, and in 2011, he assumed a position as an advisor to support the management, and in order to clarify responsibility and authority, he was reappointed as a Director in May 2020. We have determined that he is qualified for the achievement of the Company's further improvement of sustainable corporate value and re-nominated him as a Director candidate.			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
7	Tamae Matsui (August 14, 1946) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u>	<p>Sept. 1983 Joined Seiyu Shoes, Ltd.</p> <p>Mar. 1986 Transferred to Seiyu, Ltd.</p> <p>May 2001 Executive Officer, General Manager of Environment Promotion Office</p> <p>Mar. 2003 Corporate Executive Officer, SVP of Human Asset Department</p> <p>May 2008 Retired from Seiyu, Ltd.</p> <p>Oct. 2010 Director and Vice President of Matsui Office Corporation (current position)</p> <p>May 2015 Outside Director of the Company (current position)</p>	100 Shares
<p>■Significant concurrent positions outside the Company Director and Vice President of Matsui Office Corporation</p>			
<p>■Reasons for nomination and overview of expected roles as candidates for outside Director Tamae Matsui has extensive experience and broad insight gained from her long-term involvement in the fields of retail personnel policies, welfare, and social and environmental sustainability. The Company proposes the reelection of Tamae Matsui as outside Director so that this experience may be utilized to enhance the management and corporate governance of the Company through advice about the Company's personnel policies, based on her experience. The Company expects her to participate, as a 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 long-term and medium-term management plan and annual management plan, from an objective and neutral standpoint.</p>			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
8	Yutaka Suzuki (December 6, 1949) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u>	<p>Mar. 1973 Joined Kewpie Corporation</p> <p>Feb. 2001 Director</p> <p>Feb. 2003 Managing Director</p> <p>Feb. 2004 President and Representative Director</p> <p>Mar. 2011 Consultant</p> <p>Mar. 2013 Retired from Consultant, Kewpie Corporation</p> <p>Nov. 2013 President and Representative Director, Yamashiro Management R&D Institute LTD.</p> <p>May 2018 Outside Director of the Company (current position)</p> <p>Nov. 2019 Advisor, Yamashiro Management R&D Institute LTD.</p> <p>Sept. 2020 Retired from Yamashiro Management R&D Institute LTD.</p>	100 Shares
<p>■Significant concurrent positions outside the Company -</p>			
<p>■Reasons for nomination and overview of expected roles as candidates for outside Director The Company proposes the reelection of Yutaka Suzuki as outside Director so that his extensive experience and broad insight, which he cultivated as a corporate manager, may be utilized to enhance the management and corporate governance of the Company. The Company expects him to participate, as a 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 long-term and medium-term management plan and annual management plan, from an objective and neutral standpoint.</p>			

Candidate No.	Name (Date of birth)	[Career summary, positions and responsibility in the Company]	Number of the Company's shares owned
9	Teiichi Murokubo (December 2, 1954) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u>	<p>Apr. 1978 Joined The Saitama Bank, Ltd. (currently Saitama Resona Bank, Limited)</p> <p>Jul. 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>Jun. 2007 Retired from Saitama Resona Bank, Limited Executive Director of Saitama Association of Corporate Executives</p> <p>Jun. 2021 Senior Adviser (part-time) (current position)</p> <p>Jul. 2021 Advisor of Daiei Real Estate & Development Co., Ltd. (current position)</p> <p>May 2022 Outside Director of the Company (current position)</p>	—
<p>■ Significant concurrent positions outside the Company Senior Adviser (part-time) of the Saitama Association of Corporate Executives Advisor of Daiei Real Estate & Development Co., Ltd.</p>			
<p>■ Reasons for nomination and overview of expected roles as candidates for outside Director Teiichi Murokubo served in positions such as Executive Director of the 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 reelection 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. The Company expects him to participate, as a 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 long-term and medium-term management plan and annual management plan, from an objective and neutral standpoint.</p>			

- Notes:
1. There is no special interest between any candidates and the Company.
 2. Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo are candidates for Outside Directors.
 3. The Company has submitted a notification to Tokyo Stock Exchange, Inc. concerning the designation of candidates for outside Director Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo as independent officers. If their reelections are approved, the Company plans for their designation as independent officers to continue.
 4. Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo are currently outside Directors of the Company. At the conclusion of this Meeting, their tenures since assuming office as outside Directors will have been eight years for Tamae Matsui, five years for Yutaka Suzuki, and one year for Teiichi Murokubo.
 5. The Company has entered into limited liability agreements with Tamae Matsui, Yutaka Suzuki, and Teiichi Murokubo to limit their 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 maximum amount of the liability for damages based on said agreement shall be the minimum liability amount set forth in Article 425, paragraph 1 of the said act. If their reelections are approved, the Company intends to extend these agreements.

(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 three 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 for 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 a party. (Note)
3. A person who is a major business partner of the Company or an executive for such a 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 a 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.

(Reference)**Expected skills as a member of the Board of Directors**

Directors (tentative) after this General Meeting of Shareholders

Name	Corporate management	Merchandise and marketing	DX and IT	Finance and Accounting	Legal Compliance Risk management	Organization and human resources	ESG
Makoto Suzuki	○		○	○	○	○	○
Iichiro Takahashi	○	○	○				○
Takashi Nakahira	○	○					○
Yoshiteru Tsujiguchi	○	○					○
Hajime Ueda	○	○					○
Hidejiro Fujiwara	○		○	○	○		○
Tamae Matsui	○	○			○	○	○
Yutaka Suzuki	○	○			○	○	○
Teiichi Murokubo	○			○	○	○	○