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(Securities Code: 8227)

April 26, 2017

To our shareholders:

Masato Nonaka,
President and Representative Director
Shimamura Co., Ltd.
2-19-4 Miyahara-cho, Kita-ku,
Saitama-city, Saitama

Notice of the 64th Annual General Meeting of Shareholders

You are cordially invited to attend the 64th Annual General Meeting of Shareholders of Shimamura Co., Ltd. (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, and indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received by Thursday, May 11, 2017, at 6:30 p.m. (JST).

- 1. Date and Time:** Friday, May 12, 2017, 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 64th fiscal year (from February 21, 2016 to February 20, 2017), 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 64th fiscal year (from February 21, 2016 to February 20, 2017)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Six Directors

- 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, such changes will be posted on the Company’s website (<http://www.shimamura.gr.jp/>).

Reference Documents for the 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 64th 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 ¥132 per common share of the Company.

In this event, the total dividends will be ¥4,851,713,724.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 15, 2017.

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: ¥24,000,000,000

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

General reserve: ¥24,000,000,000

Proposal No. 2: Election of Six Directors

The terms of office of all six Directors will expire at the conclusion of this Meeting.

Therefore, the Company proposes the election of six Directors. The candidates for 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	Masato Nonaka (July 22, 1960)	<p>Mar. 1984 Joined the Company</p> <p>May 2003 Director</p> <p>May 2003 Supervising General Administration Department, Personnel Department and Accounting Department</p> <p>May 2005 President and Representative Director (current position)</p> <p>May 2006 Director of Shimamura (Taiwan) (current position)</p> <p>May 2011 Director of Shimamura (Shanghai) (current position)</p> <p>May 2015 President of the Company (current position)</p>	3,264 Shares
2	Tsuneyoshi Kitajima (January 14, 1959)	<p>Mar. 1983 Joined the Company</p> <p>May 2009 Director (current position)</p> <p>May 2012 President of Shimamura (Taiwan) (current position)</p> <p>May 2013 Managing Director of the Company</p> <p>Mar. 2015 Supervising Shimamura Merchandise Department and Sales Space Management Department (current position)</p> <p>May 2015 Senior Managing Executive Officer (current position)</p> <p>Feb. 2017 President of Shimamura (Shanghai) (current position)</p>	13,910 Shares
3	Shintaro Seki (August 26, 1968)	<p>Mar. 1994 Joined the Company</p> <p>May 2014 Director (current position)</p> <p>Mar. 2015 Supervising Advertising Department, Shop Dressing Department, Import Department, and Merchandise Management Department</p> <p>May 2015 Executive Officer (current position)</p> <p>May 2015 In charge of Store Operation Department</p> <p>Feb. 2016 Supervising Development Department, Construction Department, and Development Management Department (current position)</p>	800 Shares
4	Takeshi Nakamura (February 1, 1961) New candidate	<p>Mar. 1984 Joined the Company</p> <p>May 2015 Executive Officer (current position)</p> <p>May 2015 Supervising Advertising Department, Shop Dressing Department, Import Department, and Merchandise Management Department</p> <p>Feb. 2017 Supervising General Administration Department, Personnel Department, Accounting Department, Store Management Department, and Track and Field Team (current position)</p>	700 Shares

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
5*	Hidezo Terai (April 5, 1949)	<p>Mar. 1969 Joined World Co., Ltd.</p> <p>Apr. 1982 Member of the Board</p> <p>Feb. 1997 Deputy President & Member of the Board</p> <p>June 1997 President & Representative Director of the Board</p> <p>Apr. 2015 Chairman & Representative Director of the Board (current position)</p> <p>May 2015 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Chairman & Representative Director of the Board of World Co., Ltd.</p>	—
6*	Tamae Matsui (August 14, 1946)	<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> <p>[Significant concurrent positions outside the Company]</p> <p>Director and Vice President of Matsui Office Corporation</p>	100 Shares

Notes: 1. * indicates a candidate for outside Director.

2. Candidate for outside Director Hidezo Terai is Chairman & Representative Director of the Board of World Co., Ltd., and said company and the Company are in the same business sector. Although there is one store rental transaction between said company and the Company, the transaction amount is ¥14 million and, compared to the corporate scale of the Company, it is not significant enough to cause a conflict of interest. There is no special interest between any other candidates for Director and the Company.
3. The Company has submitted notification to Tokyo Stock Exchange, Inc. concerning the designation of candidates for outside Director Hidezo Terai and Tamae Matsui as independent officers.
4. Hidezo Terai and Tamae Matsui are currently outside Directors of the Company. At the conclusion of this Meeting, their tenures since assuming office as outside Directors will have been two years, respectively.
5. Reasons for nomination as candidates for outside Director
 - (1) The Company proposes the election of Hidezo Terai 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.
 - (2) 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 election 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.
6. The Company has entered into limited liability agreements with Hidezo Terai and Tamae Matsui to limit their liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. If Proposal No. 2: Election of Six Directors is approved and Hidezo Terai and Tamae Matsui assume office, the Company intends to extend these agreements. The maximum amount of the liability for damages based on said agreements shall be the amount prescribed in laws and regulations.