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(Securities Code: 8227)

April 26, 2019

To our shareholders:

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

Notice of the 66th Annual General Meeting of Shareholders

You are cordially invited to attend the 66th 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 16, 2019, at 6:30 p.m. (JST).

- 1. Date and Time:** Friday, May 17, 2019, 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 66th fiscal year (from February 21, 2018 to February 20, 2019), 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 66th fiscal year (from February 21, 2018 to February 20, 2019)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Seven 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 (<https://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 66th 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 ¥80 per common share of the Company.

In this event, the total dividends will be ¥2,940,160,960.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 20, 2019.

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: ¥9,000,000,000

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

General reserve: ¥9,000,000,000

Proposal No. 2: Election of Seven Directors

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

Therefore, the Company proposes the election of seven Directors, expanding the number by two in order to strengthen the management system. 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	Tsuneyoshi Kitajima (January 14, 1959)	<p>Mar. 1983 Joined the Company</p> <p>May 2009 Director</p> <p>May 2012 President of Shimamura (Taiwan) (current position)</p> <p>May 2013 Managing Director of the Company</p> <p>May 2015 Senior Managing Executive Officer</p> <p>Feb. 2017 Supervising Shimamura Merchandise Department and Sales Space Management Department</p> <p>Feb. 2017 President of Shimamura (Shanghai)</p> <p>Feb. 2018 President and Representative Director of the Company (current position)</p> <p>Jan. 2019 Director of Shimamura (Shanghai) (current position)</p>	13,910 Shares
2	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 Store Development Department, Construction Department, and Development Management Department</p> <p>Feb. 2019 Supervising Store Development Department and Construction Department (current position)</p>	800 Shares
3*	Makoto Suzuki (June 22, 1965)	<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 (current position)</p> <p>Feb. 2018 General Manager of Planning Office (current position)</p>	1,500 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
4*	Tsuyoki Saito (March 5, 1970)	<p>Mar. 1992 Joined the Company</p> <p>May 2004 General Manager of Avail Division Store Operation Department 3</p> <p>Mar. 2006 General Manager of Avail Division Merchandise Department 2</p> <p>Mar. 2008 General Manager of Shimamura Sales Promotion Planning Department</p> <p>Feb. 2012 General Manager of Shimamura Merchandise Department 6</p> <p>Aug. 2017 General Manager of General Administration Department</p> <p>Feb. 2018 Executive Officer (current position)</p> <p>Feb. 2018 Supervising Merchandise Department, Sales Planning Department, and Sales Space Management Department</p> <p>Aug. 2018 Supervising Merchandise Department, Sales Planning Department, Advertising Department, and Market Research Department (current position)</p>	990 Shares
5*	Ichiro Takahashi (August 25, 1974)	<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 (current position)</p> <p>Feb. 2019 Supervising Logistics Department, Import Department, and Systems Development Department (current position)</p>	100 Shares
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] Director and Vice President of Matsui Office Corporation</p>	100 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
7	Yutaka Suzuki (December 6, 1949)	<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 Advisor</p> <p>Nov. 2013 President and Representative Director of Yamashiro Management R&D Institute LTD. (current position)</p> <p>June 2015 Retired from Kewpie Corporation</p> <p>May 2018 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>President and Representative Director of Yamashiro Management R&D Institute LTD.</p>	—

- Notes:
1. * indicates a candidate for new Director.
 2. There is no special interest between any candidates and the Company.
 3. Tamae Matsui and Yutaka Suzuki are candidates for outside Director.
 4. The Company has submitted notification to Tokyo Stock Exchange, Inc. concerning the designation of candidates for outside Director Tamae Matsui and Yutaka Suzuki as independent officers. If the election of Tamae Matsui and Yutaka Suzuki is approved, the Company plans for their appointment as independent officers to continue.
 5. Reasons for nomination as candidates for outside Director
 - (1) 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.
 - (2) The Company proposes the election 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.
 6. Tamae Matsui and Yutaka Suzuki are currently outside Directors of the Company. At the conclusion of this Meeting, their tenures since assuming office as outside Directors will have been four years for Tamae Matsui and one year for Yutaka Suzuki.
 7. The Company has entered into limited liability agreements with Tamae Matsui and Yutaka Suzuki 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. If the election of Tamae Matsui and Yutaka Suzuki is approved, the Company intends to extend these agreements.
The maximum amount of the liability for damages based on said agreement shall be the amount prescribed in laws and regulations.